

**NOMINATIONS OF SIGAL P. MANDELKER,  
MIRA RADIELOVIC RICARDEL, MARSHALL  
BILLINGSLEA, AND HEATH P. TARBERT**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON**  
**BANKING, HOUSING, AND URBAN AFFAIRS**  
**UNITED STATES SENATE**  
**ONE HUNDRED FIFTEENTH CONGRESS**  
FIRST SESSION

ON

NOMINATIONS OF:

SIGAL P. MANDELKER, OF NEW YORK, TO BE UNDER SECRETARY FOR  
TERRORISM AND FINANCIAL INTELLIGENCE, DEPARTMENT OF THE TREASURY

MIRA RADIELOVIC RICARDEL, OF CALIFORNIA, TO BE UNDER SECRETARY FOR  
EXPORT ADMINISTRATION, DEPARTMENT OF COMMERCE

MARSHALL BILLINGSLEA, OF VIRGINIA, TO BE ASSISTANT SECRETARY FOR  
TERRORIST FINANCING, DEPARTMENT OF THE TREASURY

HEATH P. TARBERT, OF MARYLAND, TO BE ASSISTANT SECRETARY,  
INTERNATIONAL MARKETS AND DEVELOPMENT, DEPARTMENT OF THE  
TREASURY

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MAY 16, 2017  
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Printed for the use of the Committee on Banking, Housing, and Urban Affairs



Available at: <http://www.fdsys.gov/>

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U.S. GOVERNMENT PUBLISHING OFFICE

25-925 PDF

WASHINGTON : 2017

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**NOMINATIONS OF SIGAL P. MANDELKER, OF  
NEW YORK, TO BE UNDER SECRETARY FOR  
TERRORISM AND FINANCIAL INTEL-  
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MIRA RADIELOVIC RICARDEL, OF CALI-  
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PORT ADMINISTRATION, DEPARTMENT OF  
COMMERCE; MARSHALL BILLINGSLEA, OF  
VIRGINIA, TO BE ASSISTANT SECRETARY  
FOR TERRORIST FINANCING, DEPARTMENT  
OF THE TREASURY; HEATH P. TARBERT, OF  
MARYLAND, TO BE ASSISTANT SECRETARY,  
INTERNATIONAL MARKETS AND DEVELOP-  
MENT, DEPARTMENT OF THE TREASURY**

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**TUESDAY, MAY 16, 2017**

U.S. SENATE,  
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,  
*Washington, DC.*

The Committee met at 10:03 a.m., in room SD-538, Dirksen Senate Office Building, Hon. Mike Crapo, Chairman of the Committee, presiding.

**OPENING STATEMENT OF CHAIRMAN MIKE CRAPO**

Chairman CRAPO. This hearing will come to order.

Congratulations to all of you on your nominations to these very important offices. I see friends and family behind you, and I welcome all of you here as well.

This morning, we are going to consider four nominations:

First, Ms. Sigal Mandelker. She is to be the Under Secretary of the Treasury for Terrorism and Financial Crimes.

Second, Ms. Mira Ricardel. Did I get that right, Ricardel?

Ms. RICARDEL. Yes, sir. Thank you.

Chairman CRAPO. Thank you. To be Under Secretary of Commerce for Export Administration.

Third, Mr. Marshall Billingslea, to be Assistant Secretary of Treasury for Terrorist Financing.

And, finally, Mr. Heath Tarbert, to be Assistant Secretary of the Treasury for International Markets and Development.

Again, welcome to all of you.

Considering the nature of these nominations, especially in a time of heightened security in the international arena, we need to work together to process your nominations quickly.

All four of these highly qualified nominees have extensive national security experience from their years spent in Government, supplemented by an understanding of the practicalities and specific commerce and finance requirements honed in the private sector.

Ms. Mandelker's experience in senior law enforcement and national security positions equip her with the judgment necessary as Under Secretary to lead Treasury's Office of Terrorism and Financial Intelligence, the TFI, where she would oversee sanctions policy on Iran, Russia, North Korea, Syria, and some 25 other programs, including narcotraffickers, nuclear proliferators, and the like. Ms. Mandelker would also lead on the Nation's anti-money laundering efforts and other illicit financial threats.

As Assistant Secretary, Mr. Billingslea would work with Ms. Mandelker to coordinate all elements of the national security and law enforcement community to develop and execute TFI policies and to conduct outreach strategies to address threats to the domestic and international financial system. Mr. Billingslea has worked jointly with Treasury elements in the past while he served in senior defense positions. This experience puts him in an excellent position to leverage these and other such relationships in the future.

Mr. Tarbert has an in-depth knowledge of both international and domestic financial markets. He will be a great representative for the United States in international discussions on matters of financial services regulation and open investment. If confirmed, he will manage Treasury regulations affecting financial institutions, including systemic risk designations. He will also coordinate Treasury initiatives on financial education and overseeing the Terrorism Risk Insurance Program. And as if that were not enough, a critical part of Mr. Tarbert's job, and the reason for which his position was created by legislation passed in this Committee, is to marshal the procedures and processes of the multi-agency, Treasury-led Committee on Foreign Investment in the United States, or what we call "CFIUS", in a timely manner to protect our Nation from hostile foreign investment transactions designed to undermine the national security interests of the United States.

Ms. Ricardel has extensive Government and private sector leadership experience in the national security arena necessary to lead the Commerce Department's Bureau of Industry and Security. The core mission of BIS is to ensure that sensitive dual-use items do not find their way into the hands of dangerous countries, organizations, and individuals in such a manner that still ensures the United States retains its innovative and productive capacity. Every decision will call for a national security, foreign policy, and fundamental business decision affecting the bottom line of companies, U.S. exports, and American jobs.

All four of these positions are important to maintaining critical United States law enforcement and national security interests, while also preserving vibrant financial markets and cross-border transactions that can contribute greatly to the economic growth of the United States.

While many people may not have heard of the exact positions to which each of you have been nominated, these are critical and sensitive national security positions within the United States financial system.

Some have argued that candidates for such positions must be able to balance these security interests with supporting an environment for flexible and open financial and commercial transactions. The United States is not in the business of balancing its national security interests against anyone or anything; it assures them.

In that context, you are also charged with preserving the integrity of a uniquely American financial and commercial environment respected the world over for its access and its certainty.

None of the candidates here will ever wake up in the morning asking themselves why they are going to work. There is too much at stake in the perennial war on terror and in protecting our national interests.

Thank you very much for accepting these difficult challenges and for your service to our country. I urge my colleagues to confirm you without delay.

At this time I would like to ask unanimous consent to enter into the record six letters in support of the nominees. Without objection. Senator Brown.

#### **STATEMENT OF SENATOR SHERROD BROWN**

Senator BROWN. Thank you, Mr. Chairman.

Today the Banking Committee is meeting to do something it rarely or never did over the last 2 years: to assess the qualifications of four nominees that the President has put forward for key national security roles in the Treasury and Commerce Departments. These include:

Ms. Sigal Mandelker, to be Treasury Under Secretary for Terrorism and Financial Crimes. Welcome.

Mr. Marshall Billingslea, to serve as Treasury Assistant Secretary for Terrorist Financing. Welcome to you.

Mr. Heath Tarbert, to be Treasury Assistant Secretary for International Markets. Welcome, Mr. Tarbert.

And Ms. Mira Ricardel, to serve as Commerce Under Secretary for Export Administration. Welcome to the Committee.

As you will introduce them, Mr. Chairman, I will not spend more time on their distinguished backgrounds. I will join you in thanking the nominees for their willingness to serve and in welcoming them and their family members to our Committee. I am pleased we appear to be returning to the Banking Committee's long tradition of giving Administration appointees full, fair, and prompt consideration. For the last 2 years, this Committee slow-walked, and more precisely in many cases stonewalled, the President's nominations for key positions in our jurisdiction. Perhaps the most reprehensible was Adam Szubin, who testified before one of our Subcommittees last week. He was denied a Committee vote for many months, then was never considered by the Senate—all this despite broad bipartisan support for him and the superb work he did in the terrorism and illicit finance arena at Treasury for many years. This Committee's dereliction of duty during that period was reprehensible.

Considering the volatile situations in North Korea and Syria and Iran, and with non-State actors like ISIS, I am all for getting these important national security nominees in place. How fast we do so likely depends in part on how quickly Treasury satisfies a bipartisan request for certain financial information on the Russia investigation by the Intelligence Committee. I share Senator Warner's views on this. I hope that information is provided without further delay.

As Under Secretary for Terrorism and Financial Crimes, Ms. Mandelker would oversee the Office of Terrorism and Financial Intelligence. With 700 employees, this office marshals Treasury's intelligence and enforcement functions. Its twin aims are to safeguard the financial system against illicit use and to combat threats from rogue Nations, terrorist facilitators, weapons of mass destruction proliferators, money launderers, and drug kingpins. It is also perhaps the most important role in the U.S. Government to ensure that economic measures like sanctions are applied effectively against our adversaries.

Mr. Billingslea's role alongside Ms. Mandelker will also be critical. He has been selected for a position as the head of a unit that does outreach across all elements of the national security community, including law enforcement, regulatory, policy, diplomatic, and intelligence communities, and with the private sector and foreign Governments to identify and address illicit finance threats within the international finance system.

Mr. Tarbert has been nominated to be Treasury Assistant Secretary for International Markets and Development. If confirmed, he would be responsible for leading Treasury's efforts related to the Committee on Foreign Investment in the United States, CFIUS, as well as international financial services regulation, trade, development, technical assistance, and climate finance. CFIUS continues to play a vital role reviewing foreign investments that could threaten our national security. We should be concerned when investments come from entities with ties to the Chinese Government and State-owned enterprises. We have already seen attempts by foreign entities to acquire businesses and real estate of senior Administration officials.

In addition, after the financial crisis, as economies around the world continue to recover, it is essential that Treasury engage with our international counterparts to conduct strong financial services oversight. I expect the U.S. will continue to pursue strong rules and not support a race to the bottom that put the world's financial institutions at risk.

Finally, as Under Secretary for Export Administration, Ms. Ricardel would oversee the Commerce Department's Bureau of Industry and Security. BIS is a licensing, regulatory, and enforcement agency that works to ensure an effective export control and treaty compliance system and promotes U.S. technology leadership and a strong industrial base.

Again, I welcome the nominees to the Committee. I look forward to hearing from them. Thank you.

Chairman CRAPO. Thank you very much, Senator Brown.

And with that, I need to administer an oath, so would each of you please stand and raise your right hand? Do you swear or affirm



that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Ms. MANDELKER. I do.

Ms. RICARDEL. I do.

Mr. BILLINGSLEA. I do.

Mr. TARBERT. I do.

Chairman CRAPO. And do you agree to appear and testify before any duly constituted Committee of the senate?

Ms. MANDELKER. I do.

Ms. RICARDEL. I do.

Mr. BILLINGSLEA. I do.

Mr. TARBERT. I do.

Chairman CRAPO. Thank you. You may take your seats.

Your written statements will each be made a part of the record, and as I believe you have been informed, I ask you to try to keep your oral comments today to 5 minutes. We have a lot of Senators, who I also remind to keep their questioning to 5 minutes.

And before you begin your statements—we will go in the order that you are seated. Before you begin your statements, you are welcome to introduce anyone of your family who is here, if you would like, and we will start with you, Ms. Mandelker.

Ms. MANDELKER. Thank you, Chairman. I have a number of people here, my brother, my father, and my niece.

Chairman CRAPO. Thank you very much. We welcome you here. You have got to be very proud.

Please proceed.

Ms. RICARDEL. Thank you, Mr. Chairman. I am honored to introduce my husband, Vincent; my mother, Brigitta; my brother and sister-in-law, and my aunt and uncle. And I am so honored to have their love and support and have them here today. Thank you.

Chairman CRAPO. Thank you.

Mr. Billingslea.

Mr. BILLINGSLEA. Thank you, Chairman. I am joined by my wife, Karen, and my youngest daughter, Elsa, and my oldest daughter, Morgan; and my sister, who is in the very back.

Chairman CRAPO. Thank you.

Mr. Tarbert.

Mr. TARBERT. Thank you, Mr. Chairman. I am joined by my wife, Kate; my 5-year-old son, Ben; my mother, Pat Tarbert; my brother, Colin Tarbert; and my sister-in-law, Bonnie Tarbert.

Chairman CRAPO. Well, thank you. And you are each honored by your family who are here to support you, and I know that they, as I just indicated, are all very proud of you. We appreciate, again, your willingness to be of service to your country.

Let us start with the testimony then, and, Ms. Mandelker, please proceed.

**STATEMENT OF SIGAL P. MANDELKER, OF NEW YORK, TO BE  
UNDER SECRETARY FOR TERRORISM AND FINANCIAL IN-  
TELLIGENCE, DEPARTMENT OF THE TREASURY**

Ms. MANDELKER. Thank you very much. Thank you, Chairman Crapo, Ranking Member Brown, and Members of the Committee. It is a great honor to appear before you as the President's nominee to lead the Office of Terrorism and Financial Intelligence. I want

to thank the President and the Secretary for their trust and confidence in me. I have had the opportunity to meet with so many of you over the last few weeks, and I want to thank you for the courtesies that you have shown me. And I also look forward to working very closely with this Committee if I am honored to be confirmed.

I also want to say I am very grateful for the tremendous support of my family and friends, including those who traveled to attend this hearing. I want to recognize in particular two of my heroes and constant sources of inspiration: my father, Gershon Mandelker, who is here today, and my wonderfully lovely mother who passed away 12 years ago. Both of them were Holocaust survivors who spent part of their childhood hiding underground, in the forest, and elsewhere in constant fear for their lives as they tried to escape the Nazis. My dad tells one story about how he was hiding in a barn. The head of a village, a very courageous man, had agreed to hide my dad, my grandfather, and several others. And as they were hiding, a group of soldiers came to the barn because they wanted to see whether or not that was a good place to park their guns and their horses. And so my dad hid under a haystack, and he very distinctly remembers the soldiers coming in, walking around, looking, and then ultimately decided that that is not where they were going to put their horses. But he has a vivid memory of watching the boots of one of those soldiers. If my dad had so much as sneezed in that moment, I can assure you I would not be here today, and my dad would not be here proudly sitting beside me.

I grew up hearing about these stories of my parents, their stories of survival and how they narrowly avoided death. Unfortunately, many members of my family did not survive. Three of my grandparents who were either killed or died as a result of the Holocaust. But I can say that with this history, my parents not only survived, but they went on to pursue successful careers in Pittsburgh. They gave us a very normal life, and they were incredibly positive role models. They raised my brother and me with enormous love and a deep appreciation for the opportunities that our great Nation provides and the knowledge that we should never take for granted our safety, security, and our freedom. I carry this legacy, which is an important one, with me always, and as I have told some of you, it is really what has motivated me to public service, for I think that the opportunity to make a difference is incredibly humbling, especially when we consider the kinds of threats that we face today.

After 9/11, like so many other Americans, I wanted nothing more than to contribute to the response to this terrible attack on our Nation. After finishing my clerkship on the Supreme Court, I immediately went to work for the Justice Department in August of 2002, where I joined in its counterterrorism and national security mission in positions in both the Criminal Division and later the Deputy Attorney General's Office. With the Nation on high alert for follow-on attacks, I was privileged to work as part of the dedicated team that oversaw all of the country's counterterrorism and national security criminal cases, including those involving the illicit financing of terrorism.

Among other positions that I held in the Government, I was also a counselor to the Secretary of Homeland Security, where I had a

very similar focus. And then in 2006, I returned to the Justice Department to be Deputy Assistant Attorney General in the Criminal Division, where I supervised four major sections, again, touching on the many issues that I will be confronted with should I be confirmed, including just by way of example cybersecurity, human rights money laundering, among other cases. Then in 2009, I joined the private sector, where I gained valuable and practical insights into the compliance issues that financial institutions and other companies face on a regular basis.

I am particularly honored to be nominated for this position, which serves such an important function in our national security, foreign policy, and economic apparatus. If confirmed, I will strategically and tactically marshal all of the tools of the Office of Terrorism and Financial Intelligence and will constantly evaluate how to evolve those tools to meet new challenges, and to always be proactive, intelligence driven, and results oriented. I am also very much looking forward to leading the many talented and dedicated career professionals in the Office of Terrorism and Financial Intelligence. And, of course, I look forward to working both closely with this Committee and with the interagency to make sure that we are effectively executing those tools in order to meet the objectives that we set for ourselves and for the country.

Thank you.

Chairman CRAPO. Thank you, Ms. Mandelker.

Ms. Ricardel.

**STATEMENT OF MIRA RADIELOVIC RICARDEL, OF CALIFORNIA, TO BE UNDER SECRETARY FOR EXPORT ADMINISTRATION, DEPARTMENT OF COMMERCE**

Ms. RICARDEL. Thank you. Mr. Chairman, Ranking Member Senator Brown, Senators of the Committee, it is a distinct privilege and truly humbling experience to come before this Committee to be considered for Under Secretary of Commerce for Export Administration. I am deeply honored to have been nominated by President Donald Trump and greatly appreciate the confidence that has been placed in me by the President and Secretary of Commerce Wilbur Ross.

When I served as legislative assistant to Republican Leader Bob Dole, I did not imagine that the future might hold this opportunity, that one day I would not be preparing questions but answering them. Perhaps my late father might have thought this possible, not only because of his bias toward his daughter, but because he was always optimistic about what was possible in this great Nation—a view that carried him from communist-controlled Croatia via Germany to the United States, with little more than optimism in his pockets.

I wish to thank Senator Bob Dole for teaching me so much about leadership, integrity, and fairness. I learned hands-on that building bipartisan coalitions is essential to progress and reaching agreements. This lesson informed how I approached issues as a member of his staff and also how later I approached working within the U.S. Government interagency while serving at the Department of Defense. The ability to understand and balance the equities of U.S.

agencies and drive toward solutions that strengthen U.S. national security is vital.

The role of the Under Secretary of Commerce for Export Administration is consequential and one in which I will be able to leverage my experience and skills if confirmed. The Bureau of Industry and Security advances U.S. national security and economic objectives by ably managing and ensuring effective export control systems, supporting treaty compliance, and enforcing sanctions. The Bureau's responsibilities are executed in close cooperation with a wide range of departments and agencies, including the Departments of Treasury, Justice, State, Defense, and Homeland Security.

The recent announcement by Secretary Ross of record criminal and civil penalties against ZTE Corporation is the culmination of 6 years of investigation and highlights the crucial functions of the Bureau's Office of Export Enforcement. Last year, the Bureau's Export Administration office processed nearly 33,000 license applications related to dual-use items and items that had previously been on the U.S. Munitions List. The U.S. retains jurisdiction over re-exports of U.S. origin goods abroad; this is an indispensable tool to address the potential diversion of items to our adversaries who might use them against U.S. military forces abroad or in the development of weapons of mass destruction.

Important also is that the licenses processed by the Bureau of Industry and Security enable exports of U.S. goods, and these exports mean jobs for American workers. As a former employee of an aerospace company, I can appreciate the impact of exports on jobs. At the same time, the health of the U.S. defense industrial base is imperative, and in that regard, under Secretary Ross' initiative, the Bureau of Industry and Security has launched two investigations on steel and aluminum imports under Section 232 of the Trade Expansion Act. In addition, the Bureau regularly conducts studies on other areas of the U.S. industrial base.

Secretary Ross recently said, "Under President Trump's leadership, we will be aggressively enforcing strong trade policies with the dual purpose of protecting national security and protecting American workers." If confirmed, I will act vigorously to enforce U.S. export controls, embargoes, and sanctions, as well as continuously promote and advance policies that support U.S. industries and technologies and the American workers who are the foundation of our industrial base.

Mr. Chairman, Senator Brown, and Senators of this Committee, thank you for your consideration of my nomination. I would be pleased to answer any questions the Committee may have.

Chairman CRAPO. Thank you, Ms. Ricardel.

Mr. Billingslea.

**STATEMENT OF MARSHALL BILLINGSLEA, OF VIRGINIA, TO BE ASSISTANT SECRETARY FOR TERRORIST FINANCING, DEPARTMENT OF THE TREASURY**

Mr. BILLINGSLEA. Thank you. Chairman Crapo, Ranking Member Brown, and members of the Committee, I am honored to appear before you today as the President's nominee for Assistant Secretary of the Treasury for Terrorist Financing.

Senators, at the outset, I thank my family—I introduced my wife, Karen, and my two daughters, Morgan and Elsa—for supporting my decision to accept the President’s nomination. These positions require significant family sacrifice, and I could not undertake this without their love and their backing.

Unfortunately, my mother and father could not be here today, but I am very happy that my sister, Rachel—who is a career Pentagon official—is present. Rachel and her husband, Craig, who is a chief warrant officer, have collectively served more than 5 years in Afghanistan and Iraq, both together and apart during their marriage, helping keep our Nation safe from the terrorist threat. They are, in my view, Senators, great Americans who have sacrificed much to protect our Nation.

By way of background, Rachel and I were born and raised in Montgomery, Alabama, as your constituents, Senator Shelby. Our father, Oliver, is the son of a cotton farmer and was, in fact, the first to graduate from college. Our mother, Nancy, Senator Brown, hails from Xenia, Ohio, where I am proud to say that today we have a very large extended family and do family reunions out there when we can. From our parents I learned the value of stoicism and hard work, and I am deeply grateful to them for the sacrifices that they made over the years that have allowed me to be here today.

I have had the opportunity over the past weeks to meet with several Members of the Committee, and I greatly appreciate that chance and the opportunity to understand the issues that you feel are most important with respect to the Treasury Department and terrorist financing. And if confirmed, I look forward to working with all Members of the Committee, and with your staff, on this crucial national security issue.

There are four brief points that I would like to stress for you this morning with regard to my nomination.

First is that I understand the criticality of close, bipartisan working relationships both within the and with Congress. From 1995 to 2001, as the Senior Professional Staff Member for National Security Affairs on the Foreign Relations Committee, I drafted multiple pieces of sanctions legislation, most of which were subsequently enacted into law with overwhelming bipartisan support. The focus of these statutes was, and remains today, to combat the proliferation of weapons of mass destruction and missile systems and to disrupt foreign terrorist and trafficking networks.

Second, I appreciate how important are financial and economic tools in the fight against terrorism. After 9/11, I served as the Principal Deputy Assistant Secretary for Special Operations and Low Intensity Conflict. Disruption of the terror network’s financing operations featured heavily in our day-to-day operations and our planning. And, in fact, working very closely with multiple Treasury offices, this Committee had not yet created the position to which I have been nominated. That was done a few years later. I established the first DOD Counter Threat Finance cell, with a detailee from Treasury playing a critical role.

Third, “buy-in” from friendly Nations is crucial to the work of the office. At NATO, from 2003 to 2006, I served as our Assistant Secretary General for Defense Investment, and my time at NATO taught me the importance of forging close working relationships

with officials from across the Alliance. Many of these officials remain in office today overseas and I believe will be in a position to assist the United States in many of the various initiatives that are either underway or which need to be undertaken.

Finally, disrupting terrorist finance and illicit trade requires working closely with the private sector, as the Chairman mentioned in his opening remarks. Since 2009, I have served as a managing director at Deloitte, where I lead the Federal Business Intelligence Services group. We perform due diligence into third parties on behalf of both Federal departments agencies—the counterintelligence community, for example—but also for commercial clients, and the purpose of this is to protect against doing business with entities accused of corruption, of narcotics trafficking, of money laundering, of child or slave labor activities, or other worrisome matters. So I bring close working relationships across the global financial services sector, and I will leverage those connections to advance our national security agenda.

In conclusion, Chairman and Ranking Member Brown, I greatly appreciate the opportunity afforded by your Committee to appear before you today as you consider my nomination. Over the past 22 years, I have had the privilege of working closely with the Department of the Treasury on multiple terrorist financing and financial crimes issues, and I believe I bring a unique combination of both legislative as well as executive branch and private sector experience to the role. If confirmed by the Senate, I will work very closely with this Committee to drive the policies and actions necessary to disrupt illicit finance and terror networks.

Thank you, sir.

Chairman CRAPO. Thank you, Mr. Billingslea.

Mr. Tarbert.

**STATEMENT OF HEATH P. TARBERT, OF MARYLAND, TO BE ASSISTANT SECRETARY, INTERNATIONAL MARKETS AND DEVELOPMENT, DEPARTMENT OF THE TREASURY**

Mr. TARBERT. Chairman Crapo, Ranking Member Brown, and distinguished Members of the Committee, I am honored to appear before you today. I am humbled by the confidence the President has shown in me by nominating me to be the next Assistant Secretary of the Treasury for International Markets and Development.

I appear before you today with full recognition of the serious responsibilities associated with the position. If confirmed as Assistant Secretary, I would lead nine of the Treasury Department's offices charged with protecting and supporting foreign investment in the United States, reducing global financial instability, fostering international economic development, and managing key global challenges. I believe that my professional background and desire to serve our country will enable me to perform this role and work to keep our country safe and prosperous.

While growing up in Baltimore, my family emphasized hard work, education, and the importance of public service at every level of Government. Both of my grandfathers fought in World War II—one with the Army in Europe, one with the Navy in the Pacific. One of my uncles was a police officer, another a firefighter. My father went to night school to become an accountant and eventually

served as Comptroller of the Maryland Port Administration and of the Baltimore County Community College System. Although my father passed away after a courageous battle with cancer, his commitment to public service remains a guiding example for me.

Each of my adult guests today is or has been a public servant. My mother retired as a child support enforcement officer, my sister-in-law is a public school teacher, and my brother just completed a term as deputy mayor of Baltimore for economic and neighborhood development. Finally, my wife, Kate, and I met clerking for the U.S. Court of Appeals here in Washington. Now a full-time mom to our two young sons, she has served in the Justice Department and as a law clerk to the Chief Justice of the United States. I have been inspired by their dedication to public service as well.

I myself have had the privilege of serving in all three branches of the Federal Government. One of my most enjoyable jobs in public service was working as Special Counsel to this Committee back in 2009 and 2010. During that period, I had the privilege of working closely with Banking Committee staff members and legislative assistants on both sides of the aisle on a number of important international economic issues. And it was especially an honor to serve under your leadership, Senator Shelby.

Since leaving the Banking Committee staff, I have practiced as a regulatory compliance lawyer, with a chief focus on international markets. In this role, I have assisted public and private sector institutions from outside the United States make investments in our country that created jobs for working Americans and their families. I have also helped financial services companies around the world comply with regulatory and supervisory measures intended to make them safer and sounder, thereby reducing or eliminating the possibility of future taxpayer bailouts. In addition, I have designed compliance programs aimed at detecting and preventing money laundering and terrorist financing.

If confirmed as Assistant Secretary of the Treasury, I hope to work closely with this Committee, others in the Senate and House of Representatives, and my colleagues in the Administration to carry out my responsibilities.

Thank you again for the opportunity to appear before you today. I am happy to answer any questions you may have.

Chairman CRAPO. Thank you, Mr. Tarbert.

For my 5 minutes of questioning, I would like to give each one of you about a minute to just respond briefly to me about what you see as your top one or two priorities in assuming office. What would you use your minute for to discuss this? We will start with you, Ms. Mandelker.

Ms. MANDELKER. Thank you, Chairman. I will try to fit it in in a minute. I will have, of course, many priorities. But first and foremost, I want to focus very immediately on the areas that pose the greatest threats. That is, of course, North Korea, Iran, ISIS, Syria, Russia. I will immediately ask for a briefing from the folks in the Intelligence Office that I will be supervising so I can understand where we are in intelligence in the area of threat finance.

I will also immediately want to gather all folks from all of the components of TFI so I can understand, number one, what are we doing in any particular area, what do we propose to the inter-

agency, what are our gaps, our vulnerabilities, and how can we increase pressure using the wide array of tools, not just sanctions, of course—FinCEN has a number of tools. TFFC is very engaged internationally. And I will want to put myself right in the middle of that so I can lead them in the right way and continue to think innovatively and strategically and tactically as to how we can further our national security interests.

Chairman CRAPO. Thank you.

Ms. Ricardel.

Ms. RICARDEL. Thank you. Through the use of effective export controls and enforcement, we need to be sure that we are preventing the export of technology and goods to terrorists and stemming the flow of weapons of mass destruction, while at the same time protecting U.S. critical technologies and competitiveness. I think it is very important as an early step to see whether there are sufficient resources allocated to do these important functions, to assess whether there are potential gaps that could be filled with stricter restrictions, for example, on the export of goods, at the same time assessing the state of the industrial base, getting up to speed on what the internal assessments are currently on critical areas. And I look forward to also consulting with the Committee on areas of concern, if confirmed, to see what will be on your priority list.

Chairman CRAPO. Thank you.

Mr. Billingslea.

Mr. BILLINGSLEA. Thank you, Mr. Chairman. I was in the Pentagon the day they slammed the plane into the building, and I think if you had told me at the time that we would today and potentially my daughters would be facing the threat of terrorism, I am not sure I would have believed you at the time. The reason I have agreed to accept this nomination and come before you today is because I am absolutely committed. We live in a very dangerous world today, and I believe we have to apply every potential source of leverage to deal with both terrorist threats as well as State sponsors of terrorism, as well as Nation States who are engaged in unacceptable behaviors.

And so I share Ms. Mandelker's priorities, and disrupting these networks will be my absolute and unrelenting focus, if confirmed.

Chairman CRAPO. Thank you.

Mr. Tarbert.

Mr. TARBERT. If confirmed, Mr. Chairman, I believe my top priority would be to ensure that the Office of Investment Security and the CFIUS process more generally has the resources and tools it needs to perform the function that Congress intended it to.

Chairman CRAPO. All right. Thank you very much. In fact, you all kept within the time limits.

Senator Brown, I am going to yield a minute back.

Senator BROWN. Thank you, Mr. Chairman.

Since my time is short, I would appreciate a yes or no answer from each of you on a handful of questions. If you would like to expand your answer, feel free, but please do it in writing, if you would. And remember, you are under oath. I will start with you, Ms. Mandelker, and just work my way down.



Do you commit to reply to every oversight or other letter and request for information from me and from all other Members of the Banking Committee in a timely manner?

Ms. MANDELKER. Yes, I do.

Ms. RICARDEL. Yes, I do.

Mr. BILLINGSLEA. Yes, sir.

Mr. TARBERT. Yes.

Senator BROWN. Thank you. Do you commit to alert the Committee of any attempt by the White House to interfere with, to stall, or to change responses from your Department for oversight information that has been requested by Congress? Do you commit to alert the Committee of any attempt like that?

Ms. MANDELKER. Well, Senator, I commit to working very closely with this Committee, and should any issue like that arise, I would think that we would have some consultation.

Senator BROWN. That is not quite a yes.

Ms. MANDELKER. Well, I would, of course, want to consult with the Department—

Senator BROWN. If the White House tries to interfere or change responses by your Department, would you notify this Committee?

Ms. MANDELKER. Well, Senator, I would work very closely with this Committee on a wide range of issues. I would want to consult with the Secretary in any such case, and I will commit to doing that.

Ms. RICARDEL. Senator, I do not anticipate that this kind of an issue would come up, that there would be any interference in that way. I would execute, if confirmed, my duties within the authorities of the Bureau.

Senator BROWN. Mr. Billingslea.

Mr. BILLINGSLEA. Senator, as the Under Secretary nominee has indicated, within those parameters, yes, sir.

Mr. TARBERT. Again, within those parameters, yes, sir.

Senator BROWN. Also, I would appreciate a yes or no on this bit more complicated question but one answerable that way. Unlike past Administrations that you have worked in, senior Government officials in this Administration have not divested themselves of many of their assets, some overseas, some with international partners, some unclear as to who the ultimate beneficial owner of an interest might be. The question is: Do you think it would be in the interest of those officials as well as the offices you will head to undertake a process to ensure that foreign entanglements are benign with respect to the laws you will enforce on terrorism, on money laundering, on sanctions, on CFIUS, and the like? Ms. Mandelker.

Ms. MANDELKER. Senator, again, I would have to consult with the ethics officials at the Department and elsewhere. I do not think that we should—I do not have any issues of that sort, and I would agree that—

Senator BROWN. But many in the Administration do, correct?

Ms. MANDELKER. I cannot—I cannot—

Senator BROWN. But you know the answer to that.

Ms. MANDELKER. Well, I cannot weigh in on that question. I have not seen their financials, of course.

Senator BROWN. But you read a lot. OK.

Ms. RICARDEL. Senator, I can speak for myself. My ethics letter reflects that I am going to divest of any assets that I have that could pose a conflict of interest, and I do not have insights into other people's personal finances.

Mr. BILLINGSLEA. Senator, as my Committee questionnaire indicates, I am divesting, including going above and beyond what the Office of Government Ethics required.

Mr. TARBERT. Senator, I plan to fully comply with all applicable ethical laws and regulations, and I would assume other public officials will as well.

Senator BROWN. I think you know from my question I am not challenging or concerned with the ethics of the four of you. I am concerned with ethics of others in the Administration that you have all read widely about and, frankly, I think perhaps made some of you not so certain perhaps that you wanted to sign up with this Administration. I will leave it at that.

Ms. Mandelker, I am sure you have read the papers today. Can you tell me if an allied Nation in the Middle East or elsewhere shares sensitive intelligence with us on condition that they will control the sharing or release of it, and the U.S. then shares that information without permission of the country that originated it, do you think that would harm our future ability to gather similar intelligence from that ally and from others because it would undermine their confidence in our willingness to protect such information?

Ms. MANDELKER. Senator, that is a difficult question for me to answer. I would have to understand the underlying facts and circumstances and speak with the individuals who are experts in how we do share information with other countries.

Senator BROWN. I am not asking what might have happened in the Oval Office when the U.S. President asked the American media to leave and stayed there with the old Soviet news agency TASS. I am not asking about the specifics because we do not know for sure yet exactly what was said. But I am asking if, in fact, an allied Nation which shared sensitive intelligence with us on the condition that we not share it or release it without their approval, if they did it, would that harm our future ability to get information and gather similar intelligence from that ally or other allies?

Ms. MANDELKER. Again, Senator, in the absence of understanding any particular set of facts and circumstances, it is difficult for me to answer that question. Of course, we should be careful in how we share information with our allies and elsewhere, but I cannot answer a hypothetical when I do not understand all the complexities that are involved.

Senator BROWN. All right. Thank you.

Chairman CRAPO. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

I believe this is a great group, the four of you eminently qualified for your jobs here. I have a few questions, and I will start with you, Ms. Mandelker. You have been nominated to be the Under Secretary for Terrorism and Financial Intelligence. That is at Treasury. Tell us and share it with the American people who are watching how important the war on terrorism—that we win this war,

that we contain it and try to destroy it and the connection to financial intelligence.

Ms. MANDELKER. Thank you for that question, Senator. It is, of course, incredibly important. It is what I dedicated myself to when I joined the Justice Department in 2002. I think that the Office of Terrorism and Financial Intelligence has tremendous tools which have been used very successfully since the office was stood up in 2004, and it is one that I would dedicate myself to every day.

Senator SHELBY. Ms. Ricardel, you have had great experience in the private sector but also starting out with the Majority Leader here in the U.S. Senate, Senator Dole. What do you believe will be your biggest challenge as Under Secretary of Commerce for Export Administration? Will it be protecting American business? Or what will it be?

Ms. RICARDEL. Thank you, Senator, and I appreciated the opportunity to meet with you the other day. I believe that strong national security requires a strong defense industrial base. So in a way, I do not see the question as either/or, protecting defense business or protecting our national security, because we need strong defense capabilities, and that is what our defense industry brings us with the right guidance.

Senator SHELBY. Mr. Billingslea, you bring broad experience into your nomination as Assistant Secretary of the Treasury for Terrorist Financing. Of course, a lot of this overlaps financial intelligence and what we do with it. But terrorists cannot go very far in today's modern world without financing, can they? They have got to have it one or the other. So your role has got to be central to our fight against terrorism all over the world globally.

Mr. BILLINGSLEA. Thank you, Senator. Yes, I believe very strongly in the position that this Committee and the Congress has established and its value in supporting the Under Secretary, particularly in the diplomatic arena, engaging with Nations across the spectrum.

If I may just very quickly add that we have come a long way—I remember the very first time I heard of a *hawala* and tried to understand what that was back 15 years ago. Our country has come a very long way in our ability to combat this kind of illicit finance.

Senator SHELBY. But the challenge goes on.

Mr. BILLINGSLEA. The challenge goes on.

Senator SHELBY. The terrorists are very resourceful and very smart in a lot of ways, are they not?

Mr. BILLINGSLEA. They are thinking—they are very thinking and creative people.

Senator SHELBY. And they are thinking in tomorrow's world through the Internet and everything that goes with it.

Mr. BILLINGSLEA. Yes, sir.

Senator SHELBY. And that is our challenge.

Mr. BILLINGSLEA. Absolutely, sir.

Senator SHELBY. Mr. Tarbert, you are no stranger to this Committee as you worked here before and you did a lot of great work. We are glad to have you back. What do you believe is going to be your biggest challenge?

Mr. TARBERT. If confirmed, I think the biggest challenge would be really making sure that no investment gets approved as part of the CFIUS process that has any unresolved national security concerns, so to really make sure that there are no unresolved national security concerns before CFIUS certifies it to Congress.

Senator SHELBY. How do you balance that with the concerns of not exporting things that are so important to our national security with ordinary commerce? Isn't that part of the—

Mr. TARBERT. The test right now focuses solely on national security, and so as I read the statute, it does not include considerations of commerce. But what I would say is that the very fact that CFIUS sits in the Treasury Department—the idea is we want to encourage foreign investment, and the only exception to that is where there is a national security issue.

Senator SHELBY. Do you believe that the CFIUS statute as now written, which we were all involved in on this Committee, is sufficient for your work?

Mr. TARBERT. It is a great question, Senator Shelby. I understand there are discussions now about whether that is the case. There is also a GAO report due out. So, if confirmed, I would obviously want to ensure that the CFIUS process, first of all, is doing the job that Congress intended, but, second, whether there are any gaps.

Senator SHELBY. Would you work with this Committee on any deficiencies that are brought up and maybe we need to address?

Mr. TARBERT. If confirmed, I absolutely would, Senator.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman CRAPO. Thank you.

Senator REED.

Senator REED. Thank you very much, Mr. Chairman, and thank you all for your willingness to serve.

I want to follow up with a variation on one of Senator Brown's questions, and I will go down the line. Are you aware of any formal or informal guidance from the White House that urges limiting or not responding to legitimate oversight letters from Members of Congress, particularly minority Members of Congress? We will begin with Ms. Mandelker.

Ms. MANDELKER. No, Senator, I am not.

Senator REED. Ma'am.

Ms. RICARDEL. No, sir, I am not.

Mr. BILLINGSLEA. Senator, I am not.

Senator REED. Thank you.

Mr. TARBERT. No, Senator Reed.

Senator REED. Thank you very much.

Mr. Tarbert, in 2012, the U.S. Joint Economic Security Review Commission issued a report that essentially said a lot of the investment by Chinese companies is based on strategic rather than purely economic interests because of subsidies they receive from the Government, because many of them are entities of the Government in most respects. If this is the case, and if they are doing this, should we look again at our laws with respect to evaluating Chinese acquisitions of U.S. interests in U.S. companies?

Mr. TARBERT. I think it is an excellent question, Senator. My understanding is that there are discussions now about pending legis-

lation as well as a GAO report that is coming out, and I think one of the questions that was listed is the one that you are addressing.

I do know that currently as part of the CFIUS process, which was required by this Committee in FINSA, State-owned enterprises automatically trigger a presumption of an investigation. But, if confirmed, I commit to working with this Committee to discuss this issue and others.

Senator REED. And you would sort of take the material that is being developed now and use that to advise us on statutory changes that might be necessary or you would use your current authority to try to resist these types of acquisitions?

Mr. TARBERT. If confirmed, I would imagine I would do both.

Senator REED. Thank you.

Ms. Mandelker, China is providing significant support to North Korea, and they are doing it through financial means; they are doing it through their banking system. How would you propose to disrupt this trade, which, if we do not, could lead us to a very serious confrontation on the peninsula?

Ms. MANDELKER. Thank you for that question, Senator. I share your concerns. I think it is very important to engage very proactively with China to curb the support that is going to North Korea. I note, of course, that Secretary Tillerson, the President, and others in the Administration have engaged in a very active dialog with the Chinese, and not just with China but also, of course, with other countries. In fact, over the weekend there was a call for all countries to enhance their sanctions regimes when it comes to curbing the North Korean threat.

I think that we have to be very active in how we track, trace, and ultimately interdict illegal assets that are going to North Korea. We have to be very active in our enforcement of illicit actors that are violating our sanctions. We have to be very active in how we track down the intelligence, and we have to constantly consider what levers of pressure we are going to apply if other countries do not, in fact, abide by our call to further isolate North Korea.

Senator REED. Thank you very much.

Ms. Ricardel, there have been changes recently in the items that can be sold, basically moving some items from the U.S. Munitions List, the State Department's, the Commerce-administered list. Do you have any comments on those changes and any perspective about how you would enforce them?

Ms. RICARDEL. Senator, thank you. I am aware of the things that have been moved from the U.S. Munitions List, and my understanding is that there is still a vigorous export control enforcement process, whether it is on the Munitions List or on the Commerce Control List. Certainly, dual-use technologies are often challenging, but that is why there are controls not just on what the end use is, but also end users.

Senator REED. Thank you very much.

Thank you, Mr. Chairman.

Chairman CRAPO. Thank you.

Senator Tillis.

Senator TILLIS. Thank you, Mr. Chair. Thank you all for being here. I appreciate the three of you that were able to come into my office, and I am sorry, Ms. Ricardel, we were not able to meet to-

gether. But Robert Wilkie speaks very highly of you, and his opinion means a lot to me. So I thank you for being here and congratulations to the family.

Ms. RICARDEL. Thank you, Senator.

Senator TILLIS. I have a general question, and it relates to the current—the person in an acting capacity—we have in acting capacity. We are looking to confirm people to move into the organization. Can you very quickly down the line describe why you think it is problematic to maybe delay the confirmations and what that would prevent the head of the organizations that you are going to be confirmed to, how that would affect the day-to-day operations, either morale or execution? Mr. Tarbert, in your particular case, acting on the recommendations that come from the GAO? So just down the line why you would emphasize the importance of an expedient confirmation in your roles?

Ms. MANDELKER. Senator, I know from my prior experience having worked in the Government that it is very important to have your political appointees confirmed. The authority that somebody speaks with once they have been confirmed by the Senate is much greater. Your ability to engage in the right way with the international community is very much heightened when you have a confirmed person in that position. And I think that the career professionals within any department are looking for direction and leadership, and they want to know what their next steps are, where is the office going to be taken under the leadership of the new appointee, and it is very important to have that person in there as quickly as possible so that they can carry on and get to the—I am sure they are all dedicated and working very hard, but they can get to the business of understanding what the direction is going to be.

Senator TILLIS. Ms. Ricardel.

Ms. RICARDEL. Thank you. I would agree with my colleague's assessment on the internal and external aspects of this. Also, policy-making tends not to move forward when you have people in an acting capacity.

Senator TILLIS. Is it fair to say that we have some open switches on policy that we need to move forward on?

Ms. RICARDEL. Yes, sir.

Senator TILLIS. And every day delayed is a delay in policy that has probably got bipartisan support?

Ms. RICARDEL. I would agree with that assessment.

Senator TILLIS. Thank you.

Mr. BILLINGSLEA. Senator, on top of that, events are moving ahead, and we have a worsening situation in North Korea, to name just one flash point, where incoming Administrations are in the process of—you know, they always contend with new issues, and this Administration is going through a review on a variety of issues. To the extent that this Committee trusts our judgment, it might be better to have us involved in those discussions sooner rather than later.

Mr. TARBERT. I will not repeat all the things that my colleagues said, all of which I think go to your question. Specifically with respect to CFIUS, Congress enacted FINSA in 2007 for the main reason of making sure that there was a Senate-confirmed appointee

who would certify the transactions once approved. So that is an example of where specifically Congress had intended there to be a political appointee.

Senator TILLIS. So it sounds like to me consensus that a lot of—the threats are increasing every day, and you are going to be in very, very important roles that either affect our national security or homeland security or our economic relationships with other—in a global economy. So this delay, it seems to me, would not be healthy for the areas that you are being tasked with trying to improve our situation, our safety and security. I do not see anyone that wants to question that.

I want to go to maybe a specific question, and, Heath, this is back to you, and it relates to CFIUS. You know, we are in an increasingly complex world where we want to attract global investment, but sometimes that global investment could wade into an area where we have to assess national security interests. How do we modernize or how do we get to a point—it could be about the data that a global investor may have access to. It could be about trade secrets, other things. How do you balance that and make sure that we have got a modern view of how that works? Because we are in a global data environment and economy so—

Mr. TARBERT. It is an excellent question, Senator. I probably do not have a fulsome answer for you now, but I think you raise an excellent point, which is that we want to make sure for those foreign investments that do not raise actual national security issues that they are certified in a fast process so we can have foreign investment in the United States that creates jobs for American workers and families. Then, of course, we want to make sure that for those transactions that do raise genuine national security issues, that we take the time we need to really evaluate them.

Senator TILLIS. Ms. Ricardel, I was going to ask you a similar question, but my time has expired, and I admire the way the Chair keeps us on time.

Chairman CRAPO. I appreciate it. Thank you.

Senator MENENDEZ.

Senator MENENDEZ. Thank you, Mr. Chairman. The nominees we are considering today are critical components of our national security and foreign policy, particularly in combating terrorism and implementing what I consider to be a peaceful tool of foreign diplomacy, including sanctions.

And I would agree with the answer you gave Senator Tillis, Ms. Ricardel, in that had we not held up Adam Szubin, that being Republicans holding up Adam Szubin, for a critical position, there is a difference between someone who is acting or someone who has the full authority of the position. And so I wish that my colleagues had had the same focus and attention and commitment as they seem to have now. But at least it is a good moment to move to the understanding of the importance of these positions.

Ms. Mandelker, if you are confirmed, you will oversee a wide range of financial tools that the United States strategically employs to target the finances, assets, laundering office of terrorist networks, dictators, other actors who facilitate nefarious activities against U.S. interests. I have often been not only the advocate but the architect of those sanctions in Iran, Russia, and North Korea.

And what I want to hear from you is: Are you committed to robustly enforcing the law in all of its elements as it relates to these sanctions, these different financial consequences that we create on actors that are adverse to the national interests and security of the United States?

Ms. MANDELKER. Absolutely, Senator. That is one of the primary reasons I took on this job, because I am committed to robustly enforcing those authorities.

Senator MENENDEZ. And you will not only be someone who will be an implementer of the sanctions that Congress passes into law or that the President by Executive action does, but also you will be at a table in interagency processes in which there will be a role for you to be an advocate. When it is appropriate, will you be an advocate when we are looking to have a peaceful diplomacy tool against an adversary who defies the national interests of the United States? Will you be an advocate of using these different tools, sanctions, financial limitations, and whatnot, in that context?

Ms. MANDELKER. Yes, Senator, one of my primary roles will be to be that advocate within the—

Senator MENENDEZ. Can you commit to the Committee—the Office of Foreign Assets Control, which is an important office within the TFI, we have given it an overwhelming amount of work to do. They do exceptional work. I do not always agree with their decisions, but they do exceptional work. And so the question is—I am not sure that anybody has analyzed whether or not OFAC actually has the resources to do the work that is necessary to make sure that sanctions are enforced, because any law without enforcement is meaningless. Will you commit to the Committee upon confirmation to go ahead and review and understand whether they have the assets? And if they do, that is fine. But if they do not, that you will be an advocate for increasing their assets in order for us to see the law implemented?

Ms. MANDELKER. Yes, I will commit to doing that as well.

Senator MENENDEZ. Thank you very much.

Mr. Tarbert, I am seriously concerned about—I want foreign investment in the United States, but I am seriously concerned when that foreign investment potentially undermines national security questions. The reality is with Russia we have seen escalated attacks on the United States, particularly in its cyberwarfare against the United States. I think that it would be naive to approach any potential acquisition, for example, by Russia of critical national security infrastructure when they have already demonstrated their affinity for executing cyberattacks to disrupt energy grids in Ukraine, using the Russian oil and gas industry to manipulate prices in Eastern European economies. We have seen that they are willing to do this in different parts of the world.

Last year, due to increasing financial pressure as a result of Venezuela's financial crisis, PDVSA, the State-owned oil company, pledged nearly 50 percent of Citgo shares to Rosneft, which is a Russia State-owned oil company, in exchange for a loan. Not only do they have that 50 percent potentially if PDVSA defaults, the Venezuelan oil company, but they may have purchased additional shares on the open market, which puts them as a majority shareholder. They own Citgo in the United States which has 48 U.S. pe-



troleum product terminals, three refineries in Texas, Louisiana, Illinois, nine pipelines throughout the country.

Do you consider that possibility of Russia owning Citgo a clear element of what we should be looking at CFIUS to ensure that the national interests of the United States are not compromised?

Mr. TARBERT. Senator, I will refrain from discussing any particular transaction, but what I would say is that, if confirmed, any covered transaction would be examined thoroughly for any national security concerns.

Senator MENENDEZ. Well, is this going to be the possibility of an instance of first impression, because we have already a foreign company, PDVSA, a Venezuela-owned company, owning Citgo. Now you would see the possibility of Russia owning that company as a result of a default of the debt obligation. And I would hope that if you are to be confirmed, you will make sure that we are ensuring that the critical infrastructure of the United States does not fall in the hands of a foreign Government that has shown its hostility to the United States.

Mr. TARBERT. If confirmed, I would take all action as appropriate to ensure our national security interests are protected, including relying upon our intelligence community for reports on Nations that have hostile intentions.

Senator MENENDEZ. Thank you, Mr. Chairman.

Chairman CRAPO. Thank you.

Senator Kennedy.

Senator KENNEDY. Thank you, Mr. Chairman.

Thank you all for your service and for your past service. You all have very impressive resumes. If you could answer my questions in 30 seconds or less, I would be grateful. We only have 5 minutes.

Ms. Mandelker—am I saying that right?

Ms. MANDELKER. Yes.

Senator KENNEDY. Is Iran cheating with respect to our nuclear agreement?

Ms. MANDELKER. Well, Senator, as I am sure you know, there is an ongoing review that is underway within the Administration now to evaluate the JCPOA and our Iran policy. I am not part of that process at this point. I would look forward to learning more about the answer to your question, should I be confirmed. But I do not have—I am not privy to the intelligence today. I am very concerned about the activity that we are seeing in Iran.

Senator KENNEDY. OK. That was pretty evasive. That is good.

Do you think the International Atomic Energy Agency is doing a good job in terms of transparency and telling us what is going on?

Ms. MANDELKER. Again, I am not privy to the intelligence. I am not in the Administration—

Senator KENNEDY. I get it. I get it.

Mr. Billingslea, does President Vladimir Putin have assets in the United States?

Mr. BILLINGSLEA. Senator, I do not know that.

Senator KENNEDY. Who would know that in Government, either held in his name or in a nominee's name?

Mr. BILLINGSLEA. That certainly is something that I would hope the intelligence community is investigating for the purpose of un-

derstanding where assets are held, not only in the United States but potentially in offshore accounts elsewhere in the world.

Senator KENNEDY. But let us start with the United States. You have had a lot of experience in Government. Do you believe that the U.S. Government has that information?

Mr. BILLINGSLEA. I do not know if they have that information, Senator.

Senator KENNEDY. I know that, but I am asking you, based on your experience, if you think we likely do.

Mr. BILLINGSLEA. I genuinely do not know. It depends on how clever he has been at hiding his assets.

Senator KENNEDY. All right. Well, let me ask you this: Tell me one more time where that information could be obtained if somebody had it.

Mr. BILLINGSLEA. I would direct that question to Senator Coats, DNI Coats, the Director of National Intelligence.

Senator KENNEDY. OK. Mr. Tarbert, you have got a fine young man here. He has been very good. Can you give me your thoughts about Glass-Steagall?

Mr. TARBERT. My understanding is that the Administration is considering a 21st century version of the Glass-Steagall Act. I do not have any insight into what that is. I know Members of this body have introduced legislation of perhaps a similar nature. I do not have any views at this point, but I look—

Senator KENNEDY. You do not have any opinion at all about it? You have written extensively. What do you think of—

Mr. TARBERT. Well, my—

Senator KENNEDY. Good idea or bad idea? I am not asking you about the Administration. I am asking you.

Mr. TARBERT. What I would say is that I believe that Federal deposit insurance should not subsidize nonbanking activities. Now, that is the current law of the land. It should not be controversial. I know there is a debate as to whether it has, in fact, been achieved. Glass-Steagall is obviously a prophylactic measure to address that, but it is not the only measure. So I look forward to seeing—I am not sure in my position, if confirmed, I would have any role in domestic financial legislation.

Senator KENNEDY. I know, but I have read your resume. You have got deep experience in this.

Ms. Ricardel—am I saying that right?

Ms. RICARDEL. Yes, Senator.

Senator KENNEDY. Could you give me your thoughts, if you have any, about the Belt and Road Initiative? Is it going to work? Is it worth the money? Is it something that we should be concerned about in terms of geopolitical effects?

Ms. RICARDEL. Senator, I have only read some of the news reports. I would certainly want to look into it further, if confirmed, and see what intelligence we have on what other internal information we may have on it.

Senator KENNEDY. Do you know if Vladimir Putin has assets in the United States?

[Laughter.]

Ms. RICARDEL. No, sir, I do not.

Senator KENNEDY. Do you know who I could talk to?

Ms. RICARDEL. I think my colleague directing you to Director Coats——

Senator KENNEDY. He was not asked that question——

Ms. RICARDEL. ODNI Director Coats would probably be the right place to start.

Senator KENNEDY. All right. Thank you, Mr. Chairman.

Chairman CRAPO. Thank you.

Senator Tester.

Senator WARREN. He has offered to let me go ahead.

Chairman CRAPO. Senator Warren.

Senator WARREN. Thank you, Senator Tester, and thank you, Senator Warner. I appreciate it.

So there are many questions about disturbing ties between the Trump administration and the Russian Government, and thanks to pressure from Congress, the Administration is currently enforcing sanctions on Russia. But I remain concerned that Russian influence could cause President Trump to roll back these sanctions.

Russia's behavior has not changed. In fact, last week, the Commander of Cyber Command publicly told the Armed Services Committee that he had seen no reduction in Russian cyberattacks. We know that Russia hacked into the American and French systems to try to influence the outcome of national elections. We also know that Russia is still illegally occupying Ukraine territory.

Ms. Mandelker, as far as you know, based on public information, is Russia still engaging in cyberattacks and violating Ukraine's territory?

Ms. MANDELKER. Well, Senator, ODNI Coats testified about that last week.

Senator WARREN. So is your answer yes?

Ms. MANDELKER. According to his testimony, they are still engaging in problematic cyberactivity. I, of course, do not have access to——

Senator WARREN. So the answer is yes——

Ms. MANDELKER. ——the intelligence myself.

Senator WARREN. OK. The answer is yes?

Ms. MANDELKER. According to ODNI Coats——

Senator WARREN. OK, according to all the information available. OK. So let me just ask then, should we roll back our existing Russia sanctions without meaningful changes in Russia's behavior?

Ms. MANDELKER. No, Senator, I do not think so. Secretary Tillerson has spoken to that particular issue, and I——

Senator WARREN. So you will strongly support keeping those sanctions in place unless Russia changes its behavior?

Ms. MANDELKER. Yes.

Senator WARREN. Good. If you are confirmed to this job, we are going to expect you to be tough on Russia.

The nuclear deal between the United States, five other world powers, and Iran imposed limits on Iran's nuclear program and placed it under rigorous monitoring and inspections. Iran receives relief from economic sanctions as long as it remains in compliance with the agreement.

Now, Donald Trump threatened to rip up the Iran deal, but last month, the Trump administration certified that Iran is complying

with the nuclear deal, which is required for Iran to get sanctions relief and to keep the agreement intact.

Ms. Mandelker, if confirmed, you are going to be in charge of the Iran sanctions enforcement at Treasury. So do you agree with the Trump administration's recent conclusion that Iran is complying with the nuclear deal?

Ms. MANDELKER. Senator, I would defer to the Secretary of State on that. I do not have any reason to doubt it, but, of course, I am not in the Administration. I do not have access to——

Senator WARREN. OK. But the Secretary of State has said, so you would at least presumptively say yes and agree? That is what you are telling me?

Ms. MANDELKER. Correct.

Senator WARREN. I just want to make sure.

So we expect Iran to live up to its commitments in the nuclear agreement. My question is: Should the United States do the same?

Ms. MANDELKER. Well, Senator, as I think you know, the Administration is undertaking a 90-day review of the Iran policy and the JCPOA. As a general matter, I think the United States should live up to its commitments when it enters into international agreements.

Senator WARREN. And is there some reason that you think there should be an exception in the case of Iran, if Iran is living up to its part of the agreement, that the United States should somehow back away from its part of the agreement?

Ms. MANDELKER. Again, that very subject is part of the 90-day review, but as a general matter, to the extent that we have agreements, I think that the United States should live up to those agreements.

Senator WARREN. And that would also apply in the case of Iran?

Ms. MANDELKER. Yes.

Senator WARREN. All right. Thank you.

You know, the Iran nuclear deal is not perfect, but it is still our only realistic option to peacefully prevent Iran from developing a nuclear weapon. If the United States tears up the deal, we isolate ourselves instead of Iran, and we empower the Iranian hardliners who reject engagement with the West. I believe that makes the world less safe instead of more safe.

Thank you, Mr. Chairman, and thank you again, Senator Tester and Senator Warner. And I would note I finished a minute early.

Chairman CRAPO. Thank you.

Senator Cotton.

Senator COTTON. Ladies and gentlemen, thank you all for your testimony today and for your willingness to serve your country, once again in many cases, and thank you all to the family sitting behind you for supporting your family members for going back into Government.

Ms. Mandelker, Senator Warren was just asking you about preserving Russian sanctions. Many of us over the last 2 or 4 years have advocated for even tougher sanctions against Russia. The Obama administration opposed those. Do you think there is room to add additional sanctions to Russia if the product review that is being undertaken now concludes that that would be in the United States' interests?

Ms. MANDELKER. Well, if the policy review that is being undertaken comes to that conclusion, of course, as the Under Secretary of the Treasury, if confirmed, it would be my responsibility to lay out those options. And, of course, there is always room for enhanced capabilities.

Senator COTTON. Enhanced sanctions capabilities that the Obama administration refused to pursue for 8 years.

Ms. MANDELKER. Well, I cannot speak to the Obama administration, but I can assure you that I will lay out all of the potential options on the table.

Senator COTTON. I can.

Mr. Tarbert, I want to talk briefly about CFIUS and its role. What is its primary purpose, to promote investment into this country from abroad or to protect our security?

Mr. TARBERT. To protect our security.

Senator COTTON. When the call is close, do you view that the tie, so to speak, should go to protecting our security?

Mr. TARBERT. The test by statute is no unresolved national security issues. So if there is a member agency that has a problem, then there is no tie. That trumps.

Senator COTTON. It is an interesting statutory test, isn't it, that all issues have to be resolved in favor of protecting our security before you get to the actual business case for the investment?

Mr. TARBERT. Yes, and I would say there is not even a business case for the investment. It is presumed—

Senator COTTON. But speaking colloquially.

Mr. TARBERT. Yes, absolutely.

Senator COTTON. Is there room or need for reforming the CFIUS statute and process?

Mr. TARBERT. If confirmed, that is something I would like to consider and look into. I do not know whether statutory changes are warranted or whether it is a matter of regulatory change or even just simply a resource issue. But that is an issue that I commit to studying, if confirmed.

Senator COTTON. Ms. Ricardel, you look like you might have something to add?

Ms. RICARDEL. No, I do not. I do think it is a very important statute, CFIUS. Commerce has an input into the process and there is a lot of legislative input and legislation regarding new ideas, which, if confirmed, I would look at closely.

Senator COTTON. Thank you. I would simply say that while we want to promote investment in this country and there are many, many legitimate reasons why foreigners want to invest directly into the largest and most dynamic economy in the world, our foremost concern obviously has to be the protection of our national security.

Ms. Mandelker, I want to speak in general about the offshore wealth protection and management industry. There are many countries, or you might call them "statelets", oftentimes in the Pacific or in the Caribbean or around the waters of Europe, that specialize in helping people hide or at least obscure the origins of certain kinds of wealth. Many times these are used by nefarious people for nefarious purposes—dictators and their families who are stealing national wealth, oligarchs, criminals, terrorists, deadbeat husbands who do not want to reveal assets to the wives they are about to

divorce. But at the same time, there is a legitimate business purpose for American corporations in particular who are dealing in the global economy to create corporate entities overseas.

How could we as a Congress balance those two competing interests by making sure that American businesses can remain competitive in the global market, but at the same time trying to get after some of the illicit monies that are being hidden in lands that oftentimes have more bank accounts than they have residents?

Ms. MANDELKER. Well, Senator, of course, my responsibility will be to make sure that we understand who the beneficial owners are, how can we identify who the illicit actors are. Of course, I would be happy to study that issue further. I think it is—you point out that it is an important balance, and I would want to review that with not just the Treasury Department. It is really a much wider question that would also go to the Justice Department and other agencies.

Senator COTTON. It goes to Treasury and the IRS as well. It is a difficult question because American businesses do have their legitimate reasons to have dealings in some of these overseas territories. But at the same time, I think it is fair to say that there are a lot of nefarious characters around the world and some Americans here who are hiding assets from spouses about to be divorced, for instance, who are able to move billions and sometimes even trillions of dollars in aggregate around the world. And I think it is something that this Congress should address, and it is something that we need to address because we do not want them to take advantage of the U.S. financial system or to buildup the kind of entrenched domestic interests that you have seen now in some Western European capitals that influence the policy of those capitals toward certain countries. So thank you for that commitment.

Thank you all again for your testimony and for your willingness to serve.

Chairman CRAPO. Thank you.

And back to you, Senator Tester.

Senator TESTER. Thank you, Mr. Chairman. I appreciate you having this hearing today, and I appreciate how you run this Committee.

We have got four appointees here today for important positions that appear to be well qualified, and I want to thank you for being willing to serve in these capacities. It has occurred to me this is not the first time we have had four well-qualified people. It may be the first time we have had four well qualified, by the way, because usually it is one at a time. But it does take me back to a time when I would wonder if we would have this hearing at all if we had a different President that had just fired the Director of the FBI apparently for doing an investigation, maybe another President or not, and a President who has just been accused of transferring top secret information to a foe of ours. And I just wonder if we would be having this hearing at all if it was on a different foot.

But, nonetheless, I appreciate you guys coming forward and being willing to serve. I think your positions, as has been indicated earlier, are very, very important, and we need to take this seriously.

I am going to start with you, Ms. Mandelker. First of all, I want to thank you for telling a little bit about your life story and your father's story. I was watching your father as you were telling that story, and it was etched on his face what was going through his mind, and so I appreciate that very much. As the Senator from North Dakota and I were visiting, this is a country of immigrants, and you have proven that, both you and Ms. Ricardel.

The Ranking Member asked a question about an allied Nation, an ally of ours that had given us sensitive information, and that sensitive information was handed over to a foe, whether that would impact that ally of ours giving further information. I do not know the specifics of that question, but I thought it was pretty clear, and I do not think you gave him a clear answer, and so I am going to revisit it.

If an ally of ours gives us sensitive information and that sensitive information was transferred to an enemy of ours and the ally's, do you think it would impact that ally giving us further sensitive information?

Ms. MANDELKER. Senator, I do not know the answer to that question. I think it would have to depend on the particular set of facts and circumstances. I think—

Senator TESTER. Which is what you said before.

Ms. MANDELKER. I think—

Senator TESTER. The question is: Wouldn't human nature dictate that, hell, no, they would not give us information again?

Ms. MANDELKER. Again, I think it depends on the complexities of the relationship, the type of information that you are—that was communicated, the assurances that had been given on either side. So it is difficult for me to answer a hypothetical without understanding all of the facts and circumstances. Of course, I agree that it is very important to safeguard the intelligence that we receive.

Senator TESTER. OK. This has not happened to me as a Ranking Member, but it has happened to many of our Ranking Members, and it is what the Ranking Member of this Committee said, that we ask people from the Administration for information, and they are either directed by somebody above them or they choose not to give information back. This is a question for all four of you. If we ask a question, either verbally or in writing, will you promise to get back to us?

Ms. MANDELKER. Yes.

Ms. RICARDEL. Yes, sir.

Mr. BILLINGSLEA. Absolutely.

Mr. TARBERT. Yes.

Senator TESTER. OK. Thank you. Going back on the Russia stuff for a second, Ms. Mandelker—and Senator Cotton talked about it for a little bit, and Senator Warren talked about it, too—it is apparent that Russian officials have been involved with Syrian leadership for some time. There have been innocent civilians killed in Syria due much, I think, because of that relationship. Do you think that that should require further sanctions on Russia, that relationship and what Syria has done because of that relationship?

Ms. MANDELKER. Well, Senator, I am, of course, just like you, very disturbed by what we are seeing in Syria, including the news

that we heard yesterday. Whether or not we go the route of sanctions is a difficult and complex question, and——

Senator TESTER. Wouldn't it be smarter to do that than put boots on the ground or drop bombs? Wouldn't that be the smart——

Ms. MANDELKER. Well, going the non-kinetic way is obviously a more peaceful—is a more peaceful solution, but, again, it is difficult for me to address what are our options or what decisions we might make in any particular circumstance. Sanctions is one very important tool that we have to address behavior that we are concerned by. It is not the only tool, and we would want to consider it in light of all of the policy considerations that——

Senator TESTER. But the sanctions are a tool that you are in charge of.

Ms. MANDELKER. That is right, Senator.

Senator TESTER. OK. Let us talk about the U.S. trade embargo against Cuba. Do you believe that embargo should be lifted?

Ms. MANDELKER. Senator, that is something that I would want to study, should I be confirmed, and carefully review within the Administration. I know that there is an ongoing policy review about Cuba that is——

Senator TESTER. How about exemptions——

Ms. MANDELKER. ——I do not want to prejudge that.

Senator TESTER. Would you agree there should be some exemptions? I am taking some of Warner's minute, by the way. Do you think there should be exemptions to that trade embargo?

Ms. MANDELKER. Again, it is something that I would commit to studying and to reviewing. I do not want to prejudge the outcome of that question before I have a chance to look into it further.

Senator TESTER. Thank you for being here. You are all really good. I would just hope for better answers because you guys know what you think. You are smart people. You are a hell of a lot smarter than the people up here. OK?

Thank you very much.

Chairman CRAPO. Senator Warner.

Senator WARNER. I take exception to that.

[Laughter.]

Senator TESTER. Sorry.

Senator WARNER. Ms. Mandelker, I appreciated the meeting we had on May 4th in my office, and as I said at that point, you have had some very strong recommendations, people that we mutually know. And echoing what Senator Tester said, I think your background shows that you are well suited for this position in the Administration.

But as we discussed in my office, Senator Burr and I, in our role of leading the Intelligence Committee's Russia investigation, sent a letter to Treasury's Terrorism and Financial Intelligence Office on April 26th. In that letter we requested documentation from FinCEN that will be absolutely critical to the Russia investigation. Our asks include things like the FinCEN flash notices and the 314(a) requests.

I know that we have received a preliminary response from Treasury that they are "working on it." Well, I got to tell you, that is not good enough for an investigation that is so critical, that is dominating the news, that is dominating Americans' attention, that



we are virtually a month later and we are getting a "working on it."

So as I told you in my office, I cannot support moving forward with your nomination until the questions that Chairman Burr and I get a full answer. This investigation, I believe, is the most important thing I will ever have taken on in my public life, and we are going to need the full cooperation of not just Treasury but all aspects of Government if it is appropriate for us to look into those areas. And, clearly, the follow-the-money route is one of the areas that is critically important.

Mr. Billingslea, I understand that you were a member of the Trump transition team supporting national security. I also understand from press reports that you were instrumental in preparing Lieutenant General Flynn for a meeting with Russian ambassador Kislyak. In those same press reports, there was information about your efforts to ensure that General Flynn understood the risks of talking to Ambassador Kislyak and that you sought classified information about the Ambassador for General Flynn to ensure that he was fully aware of the risks he was taking.

Now, I appreciate, again, your background as well. I think you are well qualified. I want to simply state for the record as well I appreciate the fact that you voluntarily came in and talked to Intelligence Committee staff yesterday, and I think that was a sign of good faith, and I appreciate your willingness to continue to cooperate if there is other information we need.

So I want to ask all four of you, and recognizing that we are in this investigation going in areas that, frankly, are uncharted territory, we have access to raw intelligence that has never been provided before because the potential charges of collaboration or collusion between a foreign power and a campaign operation and potentially an Administration have never been explored before.

It has taken us some time, but the intelligence community has cooperated in those efforts because I think they realize how serious it is. And, if anything, the attention and focus gets even hotter in light of some of the President's actions last week.

So what I am asking all four of you, but particularly Ms. Mandelker and Mr. Billingslea, would be that, should you be confirmed, will you cooperate with the requests of the Intelligence Committee to provide information that is requested and do that in a timely manner and a complete manner?

Ms. MANDELKER. Yes.

Mr. BILLINGSLEA. Yes, Senator.

Ms. RICARDEL. Yes, Senator.

Mr. TARBERT. Yes, Senator.

Senator WARNER. Well, I think that is very important. You know, the sooner we can complete this process, the sooner we can either remove the cloud that hangs over this Administration or get to the bottom if there are circumstances that some of the press reports bear out to be true. And to do that, we are going to need everyone's cooperation. This is a really important time, a dangerous time, a challenging time. I think you have heard from both sides of the aisle real concerns about Russia and their attempts not only to intervene in our elections, the French elections, and I think you will

see it in the German elections, their actions in Ukraine. And if there is ever a time that we must be vigilant, it is now.

Thank you, Mr. Chairman.

Chairman CRAPO. Thank you, Senator.

Senator CORTEZ MASTO.

Senator CORTEZ MASTO. Thank you, Mr. Chair. And thank you to all of you, and let me just say, first of all, thank you for taking the time to come visit with me. I really appreciate it. And welcome to all of your family who have been sitting here now for it seems like days. But we will end soon. Do not worry.

Let me follow up with some of the questions, and let me start with Mr. Tarbert. If confirmed to the position for which you are nominated—and we have been talking about this. You will be leading the Treasury Department's work related to the Committee on Foreign Investment in the United States. As it stands now, the public has no idea what President Trump's investments consist of because he will not release his tax returns, and meanwhile, we are reading in the papers that members of the President's extended family are going to China looking for investors in various business ventures and playing up their connections to the Oval Office.

If confirmed, could President Trump and his family's vast global business entanglements complicate your efforts to lead the Treasury's work on the Committee on Foreign Investment in the U.S.?

Mr. TARBERT. I do not believe so. If confirmed, I am committed to applying the law, and the law requires that for any covered transaction there be no national security concerns.

Senator CORTEZ MASTO. And how can we be sure about that transparency? How does the public know that you are making those decisions when it comes to our President and his interactions with foreign investments, including his family members?

Mr. TARBERT. The CFIUS process, most of it is obviously classified, but FINSA has provisions whereby Congress and this Committee in particular can exercise oversight.

Senator CORTEZ MASTO. So let me ask you this: If it comes up that there is that entanglement, are you committed to ensuring that the public has a full airing and understanding of your decisions when it comes to whether the President's involvement or his family's involvement with foreign investments and likewise?

Mr. TARBERT. I am committed to following all applicable laws and regulations and being as transparent as I can in compliance with those laws and regulations.

Senator CORTEZ MASTO. OK. Let me follow up on another thing we did not get a chance to talk about and I am not sure whether you are familiar with or not, which is MoneyGram. If confirmed to this position, you will be leading, again, the Committee on Foreign Investment, and as someone with a background in law enforcement, I know that working with money transfer companies is key to identifying, catching, and stopping illicit financing.

If confirmed, how will you evaluate the proposed MoneyGram purchase by a company in part owned by Chinese State in terms of its impact on U.S. national security?

Mr. TARBERT. Thank you, Senator. I am going to refrain from speaking about any particular case, but the general thrust of your question about money transmitters I think is an important one and

also referencing a State-owned company. Right now, under the CFIUS process, a State-owned company automatically triggers in the investigation phase. So, if confirmed, I would use all available resources to ensure that there are no unresolved national security concerns.

Senator CORTEZ MASTO. OK. And then I am going to follow up with some similar line of questioning based on your previous experiences, some of the articles that you have written. You have written extensively on the Wall Street Reform Act's resolution planning provisions, including living wills. These documents require large financial companies to document how they could fail without harming Main Street. Some want to eliminate or weaken the act's provisions in this regard. What is your opinion?

Mr. TARBERT. I think the resolution process—so the living wills that you referred to, under Title I, which requires large systemically important financial institutions or anyone caught under that to present a plan as to how they could be resolved under the Bankruptcy Code, I think that, at least from a personal standpoint, is a worthwhile exercise.

Senator CORTEZ MASTO. OK.

Mr. TARBERT. Now, again, my position is—if confirmed, I would be potentially representing the U.S. at the international level, so I do not believe I would personally have a role in Dodd-Frank or legislation dealing with domestic finance.

Senator CORTEZ MASTO. Thank you. I appreciate that. And thank you again. Good luck to all of you. And I appreciate you seriously taking the time to sit and visit with me.

Chairman CRAPO. Senator Heitkamp.

Senator HEITKAMP. Thank you, Mr. Chairman. And thanks to all of you for your willingness to serve our country. Many of you have incredible resumes—all of you have incredible resumes.

I think that it is not unfair to ask you this question: Who is your loyalty to? Once you are confirmed and if you are confirmed, who do you serve and who is your loyalty to? We will start with Ms. Mandelker.

Ms. MANDELKER. My loyalty is to the American people.

Ms. RICARDEL. My loyalty is also to the American people and to the laws that govern this country.

Mr. BILLINGSLEA. Senator, my loyalty is both to the American people and to the Constitution.

Mr. TARBERT. Yes, the Constitution and the American people.

Senator HEITKAMP. It is critically important to remember that. Sometimes when you are confirmed and people give you positions like this, there may come a time when you are asked to do something that is not in the interest of the American people, that is not in the interest of our checks and balances system in the Constitution, and that will, in fact, jeopardize our national security. And I think it is fair to ask that question today, and so I want to thank you all for the answer. I believe that you are earnest about this. But we all know that there is a slippery slope, and little compromises lead to big compromises. And it is critically important, hopefully—I do not mean to be lecturing here, but that you remember that as you serve once you are confirmed.

I want to talk first, Ms. Mandelker, first off just tell you how moving your family's story is and how grateful we are, and I think I believe your answer a little bit more as a result of the challenges that your family has experienced. But I want to talk about a hearing that we had last week. We heard from two previous distinguished incumbents of the position that you are nominated to about both the value and the limitations of secondary sanctions.

How would you go about thinking whether to apply this relatively blunt instrument? And what steps can Treasury take to ensure that sanctions advance tailored national security instruments without unleashing unintended consequences? And I would just tell you I think that when we are looking at this, this is going to become a critical piece, and it is very important that you be clear on how you see secondary sanctions.

Ms. MANDELKER. Thank you, Senator, for that question, and obviously, it is something that I have been thinking about. I had the opportunity to watch the testimony last week, which I thought was very useful. Both witnesses had excellent ideas, and I appreciate their testimony and their counsel.

Issuing secondary sanctions is a blunt instrument. It is an instrument, of course, that worked. It was very impactful when it came to how we used it, how the U.S. Government used it in Iran. It is something that I think we have to consider carefully, but we also have to understand what the secondary and tertiary impact might be of using those secondary sanctions. It is something that I will look forward to engaging in a robust conversation within the interagency. It is going to be very important that we have a full-some understanding of what the impact would be, both in executing our national security strategy and then in the other impact it might have on the economy.

Senator HEITKAMP. Thank you so much.

Mr. Billingslea, in your testimony you reference the importance of buy-in from friendly Nations when ratcheting up pressure on terrorist financing. Trust is a huge factor in this with everyone concerned. What has been your experience at NATO and elsewhere in your career that taught you the importance of forging these alliances and building trust? And do you think that trust based on tweet is a good way to advance our foreign policy interests?

Mr. BILLINGSLEA. Senator, my daughters will tell you I do not have a Twitter account. I do not have it on my iPhone.

You know, as Winston Churchill famously said, you know, the only thing worse than fighting with your allies is fighting without them. And so it is crucial, it is painstaking. It requires that you sometimes control your inner voice when you work with allies, but it is essential to bring them along and work very closely with them, particularly—

Senator HEITKAMP. Do you think it is important to communicate with them in a way that respects them?

Mr. BILLINGSLEA. Absolutely. These are sovereign Nations.

Senator HEITKAMP. So do I, and I think that one of the things that we have to be very, very careful in this environment is understanding who our allies are and who our allies are not. And I think the recent examples of disclosing classified information to foes is not a step in the right direction, and I hope that if you guys are

all confirmed, the advice that you provide will be advice that will be heeded by the White House.

Chairman CRAPO. Thank you.

Senator Van Hollen.

Senator VAN HOLLEN. Thank you, Mr. Chairman. I would like to join my colleagues in welcoming all of you. Thank you for your testimony. Welcome to your families.

I do want to associate myself with the remarks of Senator Warner with respect to the information that has been requested by the Congress of the Treasury Department.

Ms. Mandelker, I think you are responsible for a lot of the areas regarding preventing money laundering, and others will be as well. And I wanted to follow up on a line of questioning that I think Senator Cotton started with respect to being able to figure out the beneficial ownership interests, because we know the Russians as well as many others try to use the U.S. market to launder money, the Russians especially in the area of real estate. And one of the tools that the Obama administration developed to try and fight that was FinCEN's geographic targeting order, looking at high-risk regions, including South Florida, New York. My understanding is the Trump administration has extended this effort through August, and my question is: Do you believe this is a useful tool? And do you plan, if confirmed, to extend this beyond August?

Ms. MANDELKER. I do agree that it is a very useful tool. I know both from my experience in Government service and in the private sector that understanding who the beneficial owners are of any particular entity can be extraordinarily valuable. It is something that I will look forward to discussing with the career professionals of FinCEN. And I would be happy to get back to you. But I think that those tools, the geographic targeting orders, can provide us with an enormous amount of very valuable information, and I look forward to using it not just in this area, but in others as well.

Senator VAN HOLLEN. Well, thank you. And I do want to say, Mr. Chairman and Ranking Member, there are a number of States—I think there are about three States that have really made a specialty of welcoming money that cannot be tracked, and I do hope this Committee will begin to look into that issue because it is in contradiction, it conflicts with the Federal focus on trying to get to the bottom of money laundering.

My colleague Senator Heitkamp raised the issue of secondary sanctions, and you yourself pointed out that they were very effective. You said it worked with respect to bringing Iran to the negotiating table. Congress worked on that on a bipartisan basis. The Obama administration supported those efforts.

We all know that North Korea has been working to develop an intercontinental ballistic missile that can reach the United States. We know that they have successfully tested and have a number of nuclear weapons. And we have heard, you know, from the Trump administration a variety of possible policy responses, including talking about potential military action.

In my view, that is premature until we have exhausted the other alternatives, and one of those other alternatives is secondary sanctions. The reality is that North Korea GDP runs about \$30 billion a year, according to most estimates. They do have access to inter-

national supply chains. Obviously, China is the major conduit for their economic activity.

The House passed legislation on North Korea sanctions. I am working with some others on expanding on that idea, including secondary sanctions on North Korea. And so my question to you is: Do you think that would be an effective way to put more pressure on North Korea as a means to address their clearly hostile actions that they are taking?

Ms. MANDELKER. Thank you for that question, and I know this Committee and other Members of the Congress have showed a lot of leadership when it comes to deploying those tools, and I would look forward to working with you on that particular question. I do not want to confine myself to agreeing to any particular option. What I can tell you is that we need to study the use of secondary sanctions in this context very carefully and closely. That discussion has to be part of the robust interagency discussion that I am sure by all accounts is very much underway now in the Administration. And what I will commit to you is that I will review it very carefully. I will discuss it within the interagency, and I would look forward to having conversations with this Committee about what options will be the most effective in disrupting the North Korea threat, because as I said at the outset, that is really going to be at the top of my agenda.

Senator VAN HOLLEN. Well, good, and I think we all share your conclusion, at least speaking for myself, your conclusion that that effort did work with respect to bringing the Iranians to the negotiating table. So I look forward to working with you on that, and I thank all of you for your testimony.

Thank you, Mr. Chairman.

Chairman CRAPO. Thank you.

Senator Schatz.

Senator SCHATZ. Thank you, Mr. Chairman. Thank you all for coming here. Thank you to the families for allowing your spouses and parents and children to be public servants.

This is a question for the three Treasury nominees. The success of your future work in stopping illicit finance flows and keeping dangerous technologies out of the hands of our enemies depends on well-crafted diplomacy. But I am extremely concerned that vacancies at high levels of the Administration are preventing us from successfully crafting a response to international threats.

For example, we do not have any regional Assistant Secretaries. None. We also do not have an Assistant Secretary for Economic and Business Affairs. This is the person at State who works together with Treasury to develop and implement economic sanctions. We also do not have an Assistant Secretary for International Narcotics and Law Enforcement. This is the person who bolsters Treasury's work by helping countries to counter illicit narcotics trade and other international crimes.

These are just a few examples. They are the people responsible for crafting and implementing strategies that make use of all of our tools of national power, including what Treasury is trying to do through sanctions. And these positions remain empty—not just not confirmed but no nominees.

How do you think that these State Department vacancies will impact your ability to do your jobs?

Ms. MANDELKER. Senator, I am not familiar with the positions at the State Department that remain open. What I can tell you, having worked at the Justice Department and Department of Homeland Security in the past, and having worked closely with the State Department, there are many very talented people who are there and regardless—

Senator SCHATZ. Let me—excuse me. Does this sound like a problem to you?

Ms. MANDELKER. Well, Senator, I am very much in favor of nominating and confirming political positions, so I would hope that the Congress would move expeditiously in that direction.

Senator SCHATZ. And we need to have nominees in order to consider them.

Mr. BILLINGSLEA.

Mr. BILLINGSLEA. Yes, Senator, I very much would like to have counterparts to work with.

Mr. TARBERT. I agree as well.

Senator SCHATZ. Following up on the line of questioning on this side of the dais around loyalty, I am going to be very blunt in terms of the interactions you may have had with either the Administration or the transition. Did anybody ask you for loyalty?

Ms. MANDELKER. No, Senator. That is not a conversation that I have had.

Ms. RICARDEL. No, sir.

Mr. BILLINGSLEA. No, Senator.

Mr. TARBERT. No, Senator.

Senator SCHATZ. Following up on the line of questioning of the Ranking Member of the Intelligence Committee, I understand that it is Treasury professionals that have to get back to the Members on the Committee who made the request of FinCEN. But do you think that the Congress deserves an expeditious response to these requests?

Ms. MANDELKER. Yes.

Ms. RICARDEL. Yes, sir, I do.

Mr. BILLINGSLEA. Yes, sir.

Mr. TARBERT. Yes.

Senator SCHATZ. I will be quick because a lot of the questions have been asked, but I just want to put a fine point on it. In the context of what is going on, it seems to me that people of good will and good faith and loyalty to the Constitution and laws of the United States, loyalty to country, are being put in impossible positions in this Administration. And so I never thought I would have to ask this question, and I know the answer that you will all provide, and I believe you in this moment. But I want to hear it from you. If there is a moment when you have to choose between loyalty to law and the country and loyalty to party and the White House, what will you choose?

Ms. MANDELKER. Senator, as I have always conducted myself in Government service, my loyalty is to the American people and to the laws of our country.

Ms. RICARDEL. I will always put laws of the country first.

Mr. BILLINGSLEA. Senator, likewise. My loyalty is to the United States Constitution.

Mr. TARBERT. The Constitution and the American people.

Senator SCHATZ. Thank you.

Chairman CRAPO. Do you have anything?

Senator BROWN. Just one comment. Thank you, and thanks to all four of you, and again to your families. And, Ms. Mandelker, your story of your father was so meaningful, and we all were watching him as you were talking, and it was so inspiring. Thank you.

I think that Senator Schatz's question and Senator Heitkamp's speak volumes about the situation you are going in. We do appreciate your willingness to serve. We do not question the ethics of any of you. But I have never sat—I have been in this Senate now almost 11 years, and I have never heard the kinds of questions that he posed asked with—I have been here through Presidents of—three different Presidents, and I was in the House with two others, and I think it is really important that, as you leave here today, you think about that question. And I hope you are not put in that position, but the first 120 days or so of this President suggests that you might be. And I know you take your responsibilities seriously. I know you will, and we are counting on you to do the right thing.

Thank you, Mr. Chairman.

Chairman CRAPO. Thank you, Senator Brown.

That concludes the questioning and the hearing, with the exception of final announcements. Before I do that, though, I want to again thank each of you for coming and participating today here at the hearing. I thank you for your service and your willingness to give more service to the country, and I appreciate that.

For Senators, all follow-on questions need to be submitted by Thursday. And for our witnesses, responses to those questions are due on Monday. So please respond quickly to the questions you get.

With that, this hearing is adjourned.

[Whereupon, at 11:50 a.m., the hearing was adjourned.]

[Prepared statements, biographical sketches of nominees, responses to written questions, and additional material supplied for the record follow:]



**PREPARED STATEMENT OF SIGAL P. MANDELKER**  
TO BE UNDER SECRETARY FOR TERRORISM AND FINANCIAL INTELLIGENCE,  
DEPARTMENT OF THE TREASURY

MAY 16, 2017

Chairman Crapo, Ranking Member Brown, and Members of the Committee, it is a great honor to appear before you as the President's nominee to be the Under Secretary to lead the Office of Terrorism and Financial Intelligence. I thank the President and the Secretary for their trust and confidence in me. I have had the opportunity to meet with many of you and your staff over the last few weeks and I want to thank you for the courtesies you have extended to me. I look forward to working closely with this Committee if I am honored to be confirmed.

I am grateful for the tremendous support of my family and friends, including those who have traveled to attend this hearing. I want to recognize in particular two of my heroes and constant sources of inspiration, my father, Gershon Mandelker, who is here today, and my wonderfully lovely mother, Ester Mandelker, who passed away 12 years ago. Both of them were Holocaust survivors who spent part of their childhood hiding underground, in the forest, and elsewhere in constant fear for their lives as they tried to escape the Nazis. My father tells one story about how, when he was around 6 years old, he was hiding with my grandfather and others in a barn that belonged to the head of a village, a courageous man who agreed to hide them. My father recalls that one day, soldiers came into the barn in order to decide whether to park their guns and horses there. My father was hiding under a haystack as the soldiers walked in, looked around, and then decided not to use the barn. My father vividly remembers watching the boots of one of the soldiers as he walked by. Had my father so much as sneezed, I would not be sitting here before you in this Committee room.

I grew up hearing about my parents' many courageous stories of survival and how they narrowly avoided death. At the same time, I knew that so many members of my family did not survive, including three of my grandparents who were either killed or died as a result of the Holocaust. With this history, my parents not only survived but went on to pursue successful careers and served as incredibly positive role models. They raised my brother and me with enormous love and a deep appreciation for the opportunities that our great Nation provides and the knowledge that we should never take for granted our safety, security, and freedom. I carry this legacy with me and it has always been what has motivated me to public service, for the opportunity to make a difference is truly humbling.

After 9/11, like so many other Americans, I wanted nothing more than to contribute to the response to this terrible attack on our Nation. After finishing a clerkship, I immediately went to work for the Justice Department in August 2002, where I joined in its counterterrorism and national security mission in positions in both the Criminal Division and later the Deputy Attorney General's Office. With the Nation on high alert for follow on attacks, I worked as part of the dedicated team that oversaw the Nation's counterterrorism and national security criminal cases, including those involving illicit financing of terrorism. After then going on to serve as an Assistant United States Attorney in the Southern District of New York, I came back to Washington to work as a Counselor to the Secretary of Homeland Security, where I focused again on counterterrorism, national security, law enforcement, and intelligence. In 2006, I returned to the Justice Department to be Deputy Assistant Attorney General in the Criminal Division, where I supervised four major sections, leading the many talented prosecutors and other professionals in those sections, and had a portfolio that included ground-breaking and cross-border cybersecurity, human rights, money laundering, and other cases that involved the intersection of national security and law enforcement. In 2009, I joined the private sector, where I have gained valuable and practical insights into the compliance issues that financial institutions and other companies face on a regular basis.

I am particularly honored to be nominated for this position, which serves such an important function in our national security, foreign policy, and economic apparatus. If confirmed, I will strategically and tactically marshal all of the tools of the Office of Terrorism and Financial Intelligence, and will constantly evaluate how to evolve those tools to meet new challenges, and to always be proactive, intelligence driven, and results oriented. I am looking forward to working with and leading the talented and dedicated career professionals in the Office of Terrorism and Financial Intelligence. I will also work closely both with this Committee and the interagency to ensure that we use all of the elements of Government power in the most effective way to achieve the objectives we set for ourselves and for the country.

Finally, from my time in the Executive Branch, I know how important it is to have a close relationship with Congress. I have thoroughly enjoyed my discussions with so many of you and I look forward to doing important work together should I be honored to be confirmed.

1

**Memberships:** List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
American Bar Association:		9/2011 – 3/2013
New York City Bar Association		6/2009 – 4/2015
	<i>Secretary, Council on International Affairs</i>	
New York State Bar Association		2009 – 2013
Federal Bar Council		July 2014 – present
Federalist Society		1997 – 1999
	<i>International &amp; National Security Law Executive Committee</i>	Approx. 2009 – present
U.S. Chamber Litigation Center Advisory Committee		July 2014 – present
Delta Phi Epsilon		1989 – 1991

**Employment record:** List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

<b>Proskauer Rose LLP, New York, NY</b>	
<i>Partner</i>	11/11-present
<i>Senior Counsel</i>	5/09-10/11
<b>U.S. Department of Justice, Criminal Division, Washington, DC</b>	
<i>Deputy Assistant Attorney General, Member of the Senior Executive Service</i>	7/06-1/09
<b>U.S. Department of Homeland Security, Office of the Secretary, Washington, DC</b>	
<i>Counselor to the Secretary, Member of the Senior Executive Service</i>	3/05-7/06
<b>United States Attorney's Office, Southern District of New York, New York, NY</b>	
<i>Assistant United States Attorney</i>	1/04-3/05
<b>U.S. Department of Justice, Office of the Deputy Attorney General, Washington, DC</b>	
<i>Counsel to the Deputy Attorney General</i>	5/03-1/04
<b>U.S. Department of Justice, Criminal Division, Washington, DC</b>	
<i>Special Assistant to the Assistant Attorney General</i>	8/02-5/03
<b>Justice Clarence Thomas, United States Supreme Court, Washington, DC</b>	
<i>Law Clerk</i>	7/01-7/02
<b>Judge Edith H. Jones, United States Court of Appeals, Fifth Circuit, Houston, TX</b>	
<i>Law Clerk</i>	8/00-7/01
<b>United States Attorney's Office, Southern District of New York, New York, NY</b>	
<i>Summer Intern</i>	Summer 1999

Covington & Burling, Washington, DC  
*Summer Associate* Summer 1999

United States Attorney's Office, Eastern District of Pennsylvania, Philadelphia, PA  
*Intern* Winter 1999

Judge Royce Lamberth, United States District Court for the District of Columbia  
*Summer Law Clerk* Summer 1998

U.S. House Majority Leader Richard Armey, Washington, DC  
*Deputy Committee Liaison* 1996-1997

Phil Gramm for President Campaign, Washington, DC  
*National Coalitions Staff* 1995-1996

American Israel Public Affairs Committee (AIPAC), Washington, DC  
*Legislative Assistant* 1993-1995

U.S. Department of Defense, Office of Non-Proliferation Policy, Washington, DC  
*Summer Intern* Summer 1993

National Jewish Coalition (Republican Jewish Coalition), Washington, DC  
*Summer Intern* Summer 1993

#### Government

**experience:** List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

U.S. Department of Justice, Criminal Division, Washington, DC  
*Deputy Assistant Attorney General, Member of the Senior Executive Service* 7/06-1/09

U.S. Department of Homeland Security, Office of the Secretary, Washington, DC  
*Counselor to the Secretary, Member of the Senior Executive Service* 3/05-7/06

United States Attorney's Office, Southern District of New York, New York, NY  
*Assistant United States Attorney* 1/04-3/05

U.S. Department of Justice, Office of the Deputy Attorney General, Washington, DC  
*Counsel to the Deputy Attorney General* 5/03-1/04

U.S. Department of Justice, Criminal Division, Washington, DC  
*Special Assistant to the Assistant Attorney General* 8/02-5/03

Justice Clarence Thomas, United States Supreme Court, Washington, DC  
*Law Clerk* 7/01-7/02

Judge Edith H. Jones, United States Court of Appeals, Fifth Circuit, Houston, TX  
*Law Clerk* 8/00-7/01

United States Attorney's Office, Southern District of New York, New York, NY  
*Summer Intern* Summer 1999

United States Attorney's Office, Eastern District of Pennsylvania, Philadelphia, PA  
*Intern* Winter 1999

Judge Royce Lamberth, United States District Court for the District of Columbia  
*Summer Law Clerk* Summer 1998

U.S. House Majority Leader Richard Armey, Washington, DC  
*Deputy Committee Liaison* 1996-1997

U.S. Department of Defense, Office of Non-Proliferation Policy, Washington, DC  
*Summer Intern* Summer 1993

Office of Corporation Counsel, District of Columbia  
*Summer Intern* Summer 1991

**Published**

**Writings:** List the titles, publishers and dates of books, articles, reports or other published materials you have written.

See Schedule A

**Political**

**Affiliations and activities:** List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

None.

**Political**

**Contributions:** Itemize all political contributions of \$500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

10/24/12 Romney Victory Inc. \$1000  
 10/31/15 Marco Rubio for President \$500

**Qualifications:** State fully your qualifications to serve in the position to which you have been named. (attach sheet)

See Schedule B

**Future employment**

**relationships:**

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

As described in the ethics agreement that I have entered into with the U.S. Department of Treasury designated agency ethics official, which has been provided to the Committee, if confirmed by the Senate, I will sever all such connections subject to the terms of the ethics agreement. Note that pursuant to the Employees' Retirement Plan of Proskauer Rose LLP, a defined benefit plan, I will remain a participant in this defined benefit plan and will receive an annuity payable at age 65. Proskauer Rose LLP will not make further contributions to this plan. In addition, under the Proskauer Rose LLP – Partners' Cash Balance Retirement Plan, a defined benefit plan, I will receive a one-time lump sum payment upon separation from the Firm.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

No.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

**Potential conflicts**

**of interest:**

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

As described in the ethics agreement that I have entered into with the U.S. Department of Treasury designated agency ethics official, which has been provided to the Committee, if confirmed by the Senate, I will sever all such connections subject to the terms of the ethics agreement. Note that pursuant to the Employees' Retirement Plan of Proskauer Rose LLP, a defined benefit plan, I will remain a participant in this defined benefit plan and will receive an annuity payable at age 65. Proskauer Rose LLP will not make further contributions to this plan. In addition, under the Proskauer Rose LLP – Partners' Cash Balance Retirement Plan, a defined benefit plan, I will receive a one-time lump sum payment upon separation from the Firm.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

I have consulted with the Office of Government Ethics and the Department of Treasury designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the Department of Treasury's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

I have consulted with the Office of Government Ethics and the Department of Treasury designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the Department of Treasury's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

As noted above, I have consulted with the Office of Government Ethics and the Department of Treasury designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the Department of Treasury's designated agency ethics official and that has been provided to this Committee.



**Civil, criminal and  
investigatory  
actions:**

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

Last year, I received a routine notice of penalty from the New York Workers' Compensation Board after my spouse and I canceled our workers' compensation policy since we were no longer required under New York State law to maintain such a policy. The matter was favorably resolved and the penalty rescinded by the New York Workers' Compensation Board after our payroll company provided payroll records showing that we were not required to maintain the policy during the relevant time period.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None.

Schedule A

<b>Published Writings:</b>	List the titles, publishers and dates of books, articles, reports or other published materials you have written.
January 2017	<i>Global Investigations Review - The Practitioner's Guide to Global Investigations</i> , Chapter 13: Employee Rights: The US Perspective (co-author)
October 25, 2016	<i>Proskauer Corporate Defense and Disputes Blog</i> , SEC and DOJ Charge Board Member with Trading on Inside Information . . . During a Board Meeting (co-author)
September 16, 2016	<i>Proskauer Corporate Defense and Disputes Blog</i> , DOJ Moves to Dismiss Public Corruption Charges Against Former VA Governor (co-author)
June 28, 2016	<i>Proskauer Capital Commitment Blog</i> , Whistleblower Concerns for Private Fund Advisers – Seven Mistakes To Avoid (co-author)
May 24, 2016	<i>Compliance Week</i> , Takeaways From Ceresney Speech On Private Equity (co-author)
May 13, 2016	<i>Proskauer Corporate Defense and Disputes Blog</i> , 10 Takeaways from Deputy Attorney General Sally Q. Yates' Remarks at the 2016 New York City Bar Association White Collar Crime Conference (co-author)
May 13, 2016	<i>Proskauer Corporate Defense and Disputes Blog</i> , SEC Increases Focus on Private Equity Enforcement (co-author)
April 22, 2016	<i>Proskauer Corporate Defense and Disputes Blog</i> , Second Circuit To Determine Whether Artful Pleading Can Extend FCPA Jurisdiction (co-author)
April 6, 2016	<i>Proskauer Corporate Defense and Disputes Blog</i> , Criminal Division Launches New FCPA Pilot Program (co-author)
March 15, 2016	<i>Proskauer Corporate Defense and Disputes Blog</i> , The Modern Slavery Act 2015 and Supply Chain Transparency (co-author)
September 11, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , Justice Department Prioritizes Prosecution of Individuals for Corporate Misconduct in New Guidance (co-author)
August 25, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , SEC Brings First Major Cyber Insider Trading Case Against International Hacking Ring (co-author)
August 25, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , Scope of Attorney-Client Privilege And Work Product Doctrine In Internal Investigations Clarified (co-author)

July 20, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , Louis Berger International Pays \$17 Million Penalty for FCPA Violation (co-author)
June 27, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , DOJ Breaks its Silence in 2015 FCPA Enforcement (co-author)
May 27, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , U.S. Supreme Court Rejects Indefinite Tolling of False Claims Act under Wartime Suspension of Limitations Act; Holds First-to-File Bar Only Applies to Pending Cases (co-author)
May 22, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , Texas Supreme Court: Companies Shielded from Defamation Claims for Statements in Internal Investigation Reports (co-author)
May 15, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , Head Of Criminal Division Speaks On Corporate Cooperation (co-author)
April 22, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , SEC Awards Compliance Officer Whistleblower Bounty of Approximately \$1.5 Million (co-author)
April 17, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , Cyber Security Regulations Ahead Says New York State's Dept. of Financial Services (co-author)
April 3, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , SEC Charges Ex-CEO with Concealing Personal Use of Corporate Funds from Investors, Settles with Corporation (co-author)
April 3, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , Second Circuit Denies DOJ's Request for En Banc Review of Newman; Leaves Landmark Insider Trading Decision in Place (co-author)
April 3, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , New DOJ Policy on Asset Forfeiture in Structuring Offenses (co-author)
February 27, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , Goodyear Pays for the Sins of its Subsidiaries in a \$16 Million FCPA Settlement (co-author)
January 22, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , Department Of Justice Emphasizes Expectation That Corporations Cooperate In The Prosecution Of Company Executives (co-author)
January 12, 2015	<i>Proskauer Corporate Defense and Disputes Blog</i> , DOJ Announces First FCPA Enforcement Action of 2015 (co-author)
December 27, 2014	<i>Proskauer Corporate Defense and Disputes Blog</i> , Alstom to Pay Largest FCPA Criminal Penalty in History (co-author)
December 5, 2014	<i>Proskauer Corporate Defense and Disputes Blog</i> , DOJ Releases Second FCPA Opinion of 2014 (co-author)

November 26, 2014	<i>Proskauer Corporate Defense and Disputes Blog</i> , DOJ Announces Record Year of \$5 billion in False Claims Act Recoveries (co-author)
October 29, 2014	<i>Proskauer Corporate Defense and Disputes Blog</i> , Companies and Individuals Alike Should Heed DOJ's Focus on Individual Liability (co-author)
October 16, 2014	<i>Proskauer Corporate Defense and Disputes Blog</i> , SEC May Be Forced to Adhere to a Five Year Statute of Limitations for all Actions (co-author)
October 7, 2014	<i>Proskauer Corporate Defense and Disputes Blog</i> , AAG Caldwell Provides Guidance on Adequate Compliance Programs (co-author)
August 13, 2014	<i>Whistleblower Defense Blog</i> , Proskauer Obtains Dismissal of High-Stakes False Claims Act Suit (co-author)
March 3, 2014	<i>Proskauer Client Alert</i> , Supreme Court Holds That Criminal Defendants Challenging Pre-Trial Asset Seizure Cannot Contest a Grand Jury's Determination of Probable Cause (co-author)
February 13, 2014	<i>Proskauer Client Alert</i> Private Fund Managers Be Aware: FCPA Enforcement Is Coming Your Way (co-author)
November 7, 2013	<i>Proskauer Whistleblower Defense Blog</i> , U.S. Senate Unanimously Passes Antitrust Whistleblower Protection Bill (co-author)
September 24, 2013	<i>Proskauer Whistleblower Defense Blog</i> , SEC Enforcement Official Recommends That Firms Showcase Their Compliance Programs (co-author)
January 23, 2013	<i>Proskauer Whistleblower Defense Blog</i> , DOJ Recovers Up To \$48 Million in False Claim Act Case Resulting From Whistleblower Report (co-author)
December 11, 2012	<i>Proskauer Whistleblower Defense Blog</i> , 2/3 Of DOJ's Nearly \$5 Billion Recovery Under False Claims Act Derived From Whistleblower Suits in 2012 (co-author)
July 18, 2012	<i>Proskauer Client Alert</i> , Door to Increased Liability for Banks Opened by U.S. Court of Appeals for the First Circuit (co-author)
Spring 2011	<i>ABA Committee on Criminal Litigation, Section of Litigation</i> , Employers Take Heed: The SEC is Preparing for a Greatly Enhanced Reliance on Whistleblowers (co-author)
June 28, 2010	<i>Proskauer Client Alert</i> , U.S. Supreme Court Narrows Scope of "Honest Services" Prosecution (co-author)
May 11, 2010	<i>Proskauer Client Alert</i> , Everybody Likes Free Stuff: Draft Privacy Legislation Seeks To Enhance Consumer Protections Without Disrupting Ad-Supported Internet Business Model (co-author)

Schedule B

**Qualifications:** State fully your qualifications to serve in the position to which you have been named.  
(attach sheet)

I am honored to be nominated for the position of Under Secretary of the Treasury for Terrorism and Financial Intelligence. I bring to this position substantial public sector and private sector experience.

In the government, in addition to serving as an Assistant United States Attorney in the U.S. Attorney's Office for the Southern District of New York, I held a number of senior positions at the U.S. Department of Justice and the U.S. Department of Homeland Security, where I was involved extensively in national security, counterterrorism, and intelligence matters. From 2006 to 2009, I served as Deputy Assistant Attorney General in the Criminal Division of the Department of Justice. In that position, I oversaw four prosecutorial sections: the Computer Crime and Intellectual Property Section, the Domestic Security Section, the Child Exploitation and Obscenity Section, and the Office of Special Investigations. I supervised a number of high-profile and complex domestic and cross-border prosecutions that involved significant national security, cyber security, money laundering, international, and human rights issues. I led and participated in developing and implementing strategy for various multi-agency and multi-national law enforcement programs. I also represented the U.S. government in international fora, including before the United Nations.

From 2005 to 2006, I served as Counselor to the Secretary of Homeland Security, assisting the Secretary in managing the Department's agencies focused on national security, intelligence, and law enforcement, including the Office of Intelligence and Analysis, Immigration and Customs Enforcement, and the U.S. Secret Service. I also worked on counterterrorism cases, other matters related to the global war on terror, and law enforcement and border security initiatives.

I also previously served as Counsel to the Deputy Attorney General and as Special Assistant to the Assistant Attorney General for the Criminal Division. In those positions, I likewise focused almost exclusively on counterterrorism and national security in the aftermath of 9/11 and during a period in which the nation was on high alert for follow-on attacks. I was also privileged to serve as a law clerk for Associate Justice Clarence Thomas of the Supreme Court of the United States and for Judge Edith Jones of the United States Court of Appeals for the Fifth Circuit.

As a partner at Proskauer Rose LLP, I have represented corporate and individual clients in a variety of industries. My work has included matters involving government investigations, crisis management, litigation, and compliance. In the course of these representations, I have gained valuable and practical insights into the regulatory and compliance issues that financial institutions and other entities face on a daily basis. The private sector plays an important role in preventing illicit actors from using the financial system and should be accountable for fulfilling those responsibilities. In addition, I believe that the private sector can and should be a key partner in the Office of Terrorism and Financial Intelligence's mission and I will carefully consider how to utilize that partnership most effectively.

Finally, on a personal note, as the child of Holocaust survivors, I was raised with a deep understanding of the American Dream and the importance of maintaining the safety and security of our great nation and our communities. Three of my grandparents were killed or died directly as a result of the Holocaust. My parents spent a portion of their youth in ghettos in Eastern Europe and then hiding underground in the forest and

elsewhere as they tried to escape from the Nazis. They came to the United States in the late 1960s to continue their studies and then decided to raise their family here in pursuit of a better life for their children. I was the first member of my immediate family born in the United States and have always considered that to be an incredible privilege.

After 9/11, I wanted nothing more than to contribute to the response to this terrible attack on our nation. It was my greatest honor to join in that fight when I began my Justice Department career in August 2002 and to continue on in that journey in the counterterrorism, national security, and law enforcement positions that I held at the Departments of Justice and Homeland Security. Among those positions, as Deputy Assistant Attorney General of the Criminal Division, I also supervised the Office of Special Investigations, the section that traditionally investigated and took legal action against participants in Nazi persecution, and the Domestic Security Section, and was honored to help guide those sections to expand their mission to also prosecute more recent human rights violators, such as Chuckie Taylor, the son of the former President of Liberia. I will bring all of that history and commitment to this position, should I have the honor to be confirmed by the United States Senate.

The undersigned certifies that the information contained herein is true and correct.

Signed: SP Mark Date: 4/6/17

**PREPARED STATEMENT OF MIRA RADIELOVIC RICARDEL**

TO BE UNDER SECRETARY FOR EXPORT ADMINISTRATION, DEPARTMENT OF COMMERCE

MAY 16, 2017

Mr. Chairman, Ranking Member Senator Brown, Senators of the Committee, it is a distinct privilege and truly humbling experience to come before this Committee to be considered for Under Secretary of Commerce for Export Administration. I am deeply honored to have been nominated by President Donald Trump and greatly appreciate the confidence that has been placed in me by the President and Secretary of Commerce Wilbur Ross.

When I served as legislative assistant to Republican Leader Bob Dole, I did not imagine that the future might hold this opportunity—that one day I would not be preparing questions, but answering them. Perhaps my late father might have thought it possible, not only because of bias towards his daughter, but because he was always optimistic about what was possible in this great Nation—a view that carried him from communist-controlled Croatia via Germany to the United States, with little more than optimism in his pockets.

I wish to thank Senator Bob Dole for teaching me so much about leadership, integrity and fairness. I learned hands-on that building bipartisan coalitions is essential to progress and reaching agreements. This lesson informed how I approached issues as a member of his staff, and later how I approached working within the U.S. Government interagency while I served in the Department of Defense. The ability to understand and balance the equities of U.S. agencies and drive toward solutions that strengthen U.S. national security is vital.

The role of the Under Secretary of Commerce for Export Administration is consequential and one in which I will be able to leverage my experience and skills if confirmed. The Bureau of Industry and Security (BIS) advances U.S. national security and economic objectives by ably managing and ensuring effective export control systems, supporting treaty compliance, and enforcing sanctions. The Bureau's responsibilities are executed in close cooperation with a wide range of departments and agencies, including the Departments of Treasury, Justice, State, Defense, and Homeland Security.

The recent announcement by Secretary Ross of record criminal and civil penalties against ZTE Corporation is the culmination of 6 years of investigation and highlights the crucial function of the Bureau's Office of Export Enforcement. Last year, the Bureau's Export Administration office processed more than 33,000 license applications related to dual use items and items that had been on the U.S. Munitions List. The United States retains jurisdiction over re-exports of U.S. origin goods abroad; this is an indispensable tool to address the potential diversion of items to our adversaries who might use these against U.S. military forces abroad or in the development of weapons of mass destruction.

Important also is that the licenses processed by the Bureau of Industry and Security enable exports of U.S. goods and these exports mean jobs for American workers. As a former employee of an aerospace company, I can appreciate the impact of exports on jobs. At the same time, the health of the U.S. defense industrial base is imperative and in that regard under Secretary Ross' initiative, the Bureau of Industry and Security has launched two investigations on steel and aluminum imports under Section 232 of the Trade Expansion Act. In addition, the Bureau regularly conducts studies on other areas of the U.S. industrial base.

Secretary Ross recently said, "Under President Trump's leadership, we will be aggressively enforcing strong trade policies with the dual purpose of protecting national security and protecting American workers." If confirmed, I will act vigorously to enforce U.S. export controls, embargoes and sanctions, as well as continuously promote and advance policies that support U.S. industries and technologies and the American workers who are the foundation of our industrial base.

Mr. Chairman, Senator Brown and Senators of the Committee, thank you for your consideration of my nomination. I would be pleased to answer any questions the Committee may have.



STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES
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Name:	Ricardel	Mira	Radelovic
	(Last)	(First)	(Other)

Position to which nominated: Under Secretary of Commerce for Export Administration

Date of nomination:

Date of birth: 5 July 1960  
(Day) (Month) (Year)

Place of birth: Milwaukee, WI

Marital Status: Married

Full name of spouse: Vincent Jonathan Ricardel

Name and ages of children: None

Education:	Institution	Dates attended	Degrees received	Dates of degrees
	Georgetown University	1978-1982	B.S. Foreign Service	May 1982
	The Fletcher School Tufts University	1982-1984	None; completed doctoral course work	

**Honors and awards:** List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

- Georgetown University:
- Received academic scholarship
  - Graduated from Georgetown University School of Foreign Service *magna cum laude*
  - Received award at graduation for achievement in Russian Studies

Department of Defense Distinguished Civilian Service Award, July 2005

**Memberships:** List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Council on Foreign Relations	None	Since 1998
New York Athletic Club (through spouse)	None	Since 2006
Beach Club, Palm Beach (through spouse)	None	Since 2001

**Employment record:** List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

*Special Assistant to the President and Associate Director for Presidential Personnel*  
*Office of Presidential Personnel* January '17- present  
 The White House Washington, DC

- Oversee personnel portfolios for the Department of Defense, Veterans Administration and the Intelligence Community

*Leader Dept. of Defense (DoD) Agency Action Team* Sept. '16 – January '17  
*Trump Transition* Washington, DC

*Consultant (M.Ricardel LLC)* Sept. '15 – August '16  
 Alexandria, VA

- Advised on growth strategies for clients in defense and IT sectors, to include international business opportunities

*Vice President, International* January '13 – July '15  
*Network & Space Systems (N&SS)* Arlington, VA  
 The Boeing Company

- Led, developed and oversaw implementation of international growth strategies, to include identifying market opportunities for key products/ solutions in \$8B business unit
- Conducted briefings on N&SS products/ solutions to US and international media

*Vice President, Business Development* July '06 – January '13  
*Strategic Missile & Defense Systems (SM&DS)* Arlington, VA  
 The Boeing Company

- Led development, coordination and execution of domestic and international business development, capture and marketing strategies for \$1.5B+ Boeing division

*Vice President, International Markets* July '05 – July '06  
 Teachscape, Inc. Arlington, VA

- Led international business development planning for company that develops and produces customized training and support programs for educators in the US and abroad

*Assistant Secretary of Defense (Acting)* October '03 – July '05  
 US Department of Defense Washington, DC

- Led International Security Policy organization within the Office of the Secretary of Defense
- Served as principal adviser to the Secretary of Defense and responsible for DoD policy development and implementation related to: US strategic forces, missile defense, space, non-proliferation, NATO, Europe, Eurasia and Russia

*Deputy Assistant Secretary of Defense for Eurasia* August '01 - October '03  
 US Department of Defense Washington, DC

- Principal adviser to the Secretary of Defense, Deputy Secretary of Defense and Under Secretary of Defense on Russia, Central Asia, the Caucasus and the Balkans

*Senior Adviser/Consultant* June '98 - March '01  
 Washington, DC / New York

- Independent consultant
- Senior Adviser to Chairman of International Commission on Missing Persons, Bob Dole

*Vice President for Programs* February '97 - June '98  
 Freedom House / National Forum Foundation Washington, DC

- Managed and expanded multi-million dollar program portfolio

*Arms Control Adviser* Nov '96 - February '97  
 Office of Senator Jon Kyl Washington, DC

- Short term advisory role

*Defense and Foreign Policy Director* July - Nov '96  
 Dole for President Campaign Washington, DC

- Developed defense and foreign policy positions for Presidential Candidate Bob Dole

*Legislative Assistant* June '89 - July '96  
 Republican Leader's Office, US Senate Washington, DC

- Drafted legislation and developed legislative strategies on key foreign and defense policy matters

*Deputy Director of Congressional Affairs* February '86 - June '89  
*Congressional Affairs Specialist* Washington, DC  
 US Arms Control and Disarmament Agency

*Presidential Management Intern* August '84 - February '86  
*Sponsor Agency: Defense Logistics Agency* Washington, DC  
 Fellowships:  
 Office of the Honorable Pete Wilson, US Senate January '85 - Jan '86  
 Defense Security Assistance Agency September '84 - Dec. '84

*Research Assistant (part time while at Georgetown)* September '81 - May '82  
 Center for Strategic & International Studies Washington, DC

#### Government

**experience:** List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

*Special Assistant to the President and Associate Director for Presidential Personnel*  
*Office of Presidential Personnel* January '17 - present  
 The White House Washington, DC

*Assistant Secretary of Defense (Acting)* October '03 - July '05

US Department of Defense	Washington, DC
<i>Deputy Assistant Secretary of Defense for Eurasia</i> US Department of Defense	<i>August '01 - October '03</i> Washington, DC
<i>Legislative Assistant</i> Republican Leader's Office, US Senate	<i>June '89 - July '96</i> Washington, DC
<i>Deputy Director of Congressional Affairs</i> <i>Congressional Affairs Specialist</i> US Arms Control and Disarmament Agency	<i>February '86 - June '89</i> Washington, DC
<i>Presidential Management Intern</i> <i>Sponsor Agency: Defense Logistics Agency</i> Fellowships: Office of the Honorable Pete Wilson, US Senate Defense Security Assistance Agency	<i>August '84 - February '86</i> Washington, DC.  <i>January '85 - Jan '86</i> <i>September '84 - Dec. '84</i>

**Published**

**Writings:** List the titles, publishers and dates of books, articles, reports or other published materials you have written.

"America Needs a Global Missile Defense Plan", The Hill (online), September 30, 2015

**Political****Affiliations**

**and activities:** List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Republican; served on Trump pre-transition team (September 2016-January 2017)

**Political**

**Contributions:** Itemize all political contributions of \$500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

I have not kept records of my political contributions, so I referred to the FEC contributions data base which had the following information regarding my contributions since 2009:

Donald Trump: \$1000 (07/12/2016); \$250 (10/10/2016)  
 Defend America PAC: \$1000 (04/11/2012)  
 Mitt Romney/Paul Ryan: \$1000 (02/13/2012); \$500 (04/18/2012); \$500 (10/06/12)  
 Patrick J. Murray: \$250 (05/15/2010); \$250 (09/20/2010) \$1000 (10/07/2010); \$1000 (03/14/2012)  
 Parker R. Griffith: \$500 (03/01/2010)

In addition, while employed at The Boeing Company, I contributed to The Boeing Company Political Action Committee at the recommended giving level for Vice Presidents.

**Qualifications:** State fully your qualifications to serve in the position to which you have been named. (attach sheet). Statement attached.

**Future employment relationships:**

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate. Yes.
2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization. No.
3. Has anybody made you a commitment to a job after you leave government? No.
4. Do you expect to serve the full term for which you have been appointed? Yes.

**Potential conflicts  
of interest:**

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

See attached ethics agreement.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and ethics officials at the Department of Commerce to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the Department of Commerce and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and ethics officials at the Department of Commerce to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the Department of Commerce and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

I have never been a registered lobbyist or foreign agent. During my tenure at Boeing, I occasionally worked on matters that involved lobbying but never reached the threshold that required registration. These occasional activities were reported within the Boeing timekeeping system according to federal regulations.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

In connection with the nomination process, I have consulted with the Office of Government Ethics and ethics officials at the Department of Commerce to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the Department of Commerce and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

**Civil, criminal and  
investigatory  
actions;**

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

I have not been involved in any criminal proceedings. The only civil proceeding I have been involved in was my divorce from my first husband.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation. None.

**PREPARED STATEMENT OF MARSHALL BILLINGSLEA**  
 TO BE ASSISTANT SECRETARY FOR TERRORIST FINANCING, DEPARTMENT OF THE  
 TREASURY

MAY 16, 2017

Chairman Crapo, Ranking Member Brown, and Members of the Committee: I am honored to appear before you today as the President's nominee for Assistant Secretary of the Treasury for Terrorist Financing.

Senators, at the outset, I thank my family—my wife Karen and my two daughters Morgan and Elsa—for supporting my decision to accept President's nomination. These positions require significant family sacrifice, and I could not undertake this without their love and their backing.

Unfortunately my mother and father could not be here today, but I am very happy that my sister Rachel—who is a career Pentagon official—is present. Rachel, and her husband Craig, who is a Chief Warrant Officer, have collectively served more than 5 years in Afghanistan and Iraq—together and apart—helping keep our Nation safe from the terrorist threat. They are, in my view, great Americans who have sacrificed much to protect our Nation.

By way of background, Rachel and I were raised in Montgomery Alabama, as constituents of Senator Shelby. Our father, Oliver, is the son of a cotton farmer and the first to graduate from college in his family. Our mother, Nancy, hails from Xenia Ohio, where—Senator Brown—I am proud to say that we today have a large extended family. From our parents I learned the value of stoicism and hard work, and I am deeply grateful to them for the sacrifices they made over the years that have allowed me to be here today.

I have had the opportunity over the past weeks to meet with several Members of this Committee, and it has been very helpful to understand the issues you feel are most important with respect to the Treasury Department and terrorist financing. If confirmed, I look forward to working with all Members of the Committee, and your staff, on this crucial national security matter.

There are four brief points that I underscore for the Committee this morning:

First, I understand the criticality of a close, bipartisan working relationship with Congress. From 1995–2001, as the Senior Professional Staff Member for National Security Affairs on the Foreign Relations Committee, I drafted multiple pieces of sanctions legislation, most of which were subsequently enacted into law with overwhelming bipartisan support. The focus of these statutes was (and remains) to combat the proliferation of weapons of mass destruction (WMD) and missile systems, and to disrupt foreign terrorist and trafficking networks.

Second, I appreciate how important are financial and economic tools in the fight against terrorism. After 9/11, I served as the Principal Deputy Assistant Secretary for Special Operations and Low Intensity Conflict (SO/LIC). Disruption of the terror network's financing operations featured heavily in both our planning, and in day-to-day operations. Working very closely with multiple Treasury offices, I established the first DoD Counter Threat Finance cell, with a detailee from Treasury playing a central role.

Third, “buy in” from friendly Nations is crucial to the work of the Terrorist Financing office. At NATO, from 2003–2006, I served as the Assistant Secretary General for Defense Investment. My time at NATO taught me the importance of forging close working relationships with officials from across the Alliance. While at NATO, I secured Alliance agreement to launch more than a dozen counter-terrorism related measures, and this experience will greatly assist in the international duties of the office to which I have been nominated, if confirmed.

Finally, disrupting terrorist finance and illicit trade requires working closely with the private sector. Since 2009, I have served as Managing Director at Deloitte, where I lead the Federal Business Intelligence Services (BIS) group. We perform commercial due diligence into third parties on behalf of Federal agencies and commercial clients to protect against doing business with entities accused of corruption, narcotics trafficking, money-laundering, child or slave labor, or other worrisome matters. I bring close working relationships across the global financial services, technology and telecommunications sectors, and will leverage those professional connections to advance our national security agenda.

In conclusion, I appreciate the opportunity afforded by the Committee on Banking to appear before you today as your consider my nomination. Over the past 22 years, I have had the privilege of working closely with the Department of the Treasury on terrorist financing and financial crimes in a variety of capacities, and I bring a unique combination of legislative, executive branch, and private sector experience to the role. If confirmed by the Senate, I will work very closely with this Committee



to drive policies and actions to disrupt illicit finance and terror networks, and to advance our national security. I appreciate your time this morning, and look forward your questions.

<b>Name:</b>	<b>Billingslea</b>	<b>Marshall</b>	<b>Scott</b>
	(Last)	(First)	(Middle)

Date of nomination:

**Name and ages of children:**

**Elsa Billingslea, 13**

**Honors and awards:** List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Organization	Office held (if any)	Dates
The Atlantic Council		2009-present
Network Centric Operations Industry Consortium		2005-present

**Employment record:** List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

The Senate Committee on Foreign Relations, Senior Professional Staff Member for National Security Affairs, 1995-2001 (Washington, DC)

Deputy Assistant Secretary of Defense for Negotiations Policy, 2001-2002 (Washington, DC / Pentagon)

Principal Deputy Assistant Secretary of Defense for Special Operations / Low Intensity Conflict, 2002-2003 (Washington, DC / Pentagon)

NATO Assistant Secretary General for Defense Investment, 2003-2006 (Brussels, BE / NATO HQ)

The Deputy Under Secretary of the Navy, 2006-2009 (Washington, DC / Pentagon)

Managing Director at Deloitte, 2009 – present (Arlington, VA)

**Government**

**experience:** List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

The Senate Committee on Foreign Relations, Senior Professional Staff Member for National Security Affairs, 1995-2001 (Washington, DC)

Deputy Assistant Secretary of Defense for Negotiations Policy, 2001-2002 (Washington, DC / Pentagon)

Principal Deputy Assistant Secretary of Defense for Special Operations / Low Intensity Conflict, 2002-2003 (Washington, DC / Pentagon)

NATO Assistant Secretary General for Defense Investment, 2003-2006 (Brussels, BE / NATO HQ)

The Deputy Under Secretary of the Navy, 2006-2009 (Washington, DC / Pentagon)

Managing Director at Deloitte, 2009 – present (Arlington, VA) – In this capacity I provided advisory services to multiple Departments and Agencies of the Federal Government.

**Published**

**Writings:** List the titles, publishers and dates of books, articles, reports or other published materials you have written.

Combating Terrorism Through Technology, NATO Review, Autumn 2004  
(Similar Article Printed in Wall Street Journal Europe (2004))

Moscow's Missile Defense Bluster, Wall Street Journal Europe, March 2007

NATO Agency Reform, Done Right, Atlantic Council, December 2011

National Security Implications of Corporate Inversion: FOCI, CFIUS, and Export Controls (co-author), Deloitte & Kaye-Scholer, September 2014

How Federal Agencies Can Improve Supply Chain Risk Management, Wall Street Journal, April 2016

"Threats Posed by Third Party Insiders", co-author, Chapter 10 in "Insider Threat: Protection, Detection, Mitigation and Deterrence," May 2016

**Political**

**Affiliations**

**and activities:** List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Registered Republican

Member of Trump Transition Team for the National Security Council

**Political**

**Contributions:**

Itemize all political contributions of \$500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

Romney for President Inc., \$5,000, (\$2,500 for Primary on 3/12/2012 & \$2,500 for General Election on 7/31/2012)

McCain Palin-Compliance Fund, Inc. \$2,300, 9/30/2008

**Qualifications:**

State fully your qualifications to serve in the position to which you have been named. (attach sheet)

Please see Attachment.

**Future employment**

**relationships:**

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

Yes, except with respect to the deferred compensation plan, as stipulated by the Office of Government Ethics (OGE).

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous

employer, business firm, association or organization.

No plans.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

**Potential conflicts  
of interest:**

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None. I have consulted with the Department of the Treasury's ethics staff and the Office of Government Ethics regarding potential issues arising out of my financial holdings, past income, and past employment relationships. These have been addressed in the ethics agreement I entered into with the Department of the Treasury's designated agency ethics official. I am not aware of any other potential conflicts of interest.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

Pursuant to the ethics agreement I entered into with the Department of the Treasury's designated agency ethics official, if confirmed I will divest stock in General Electric. I am unaware of any other potential conflicts of interest.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

Nothing to report.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

Nothing to report.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

I have executed an ethics agreement with the Department of the Treasury's designated agency ethics official and will abide by the terms of such agreement. If confirmed, I will consult with ethics counsel in the event that I identify a potential conflict of interest.

**Civil, criminal and  
investigatory  
actions:**

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

None.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None.

## Statement of Qualification to Serve

Over the past twenty-two years, I have had the privilege of working closely with the Department of the Treasury on terrorist financing and financial crimes in a variety of capacities. As the President's nominee to serve as Assistant Secretary of the Treasury for Terrorist Financing, and if confirmed by the Senate, I bring to the position a unique combination of legislative and executive branch experience that will augment the skill sets of both career personnel and political appointees serving within the Office of the Under Secretary of the Treasury for Terrorism and Financial Intelligence (TFI).

First, I understand the criticality of a close working relationship with Congress. From 1995-2001, as the Senior Professional Staff Member for National Security Affairs on the Senate Committee on Foreign Relations (SFRC), I drafted for the Committee multiple pieces of sanctions-related legislation which were subsequently enacted into law with strong bipartisan support. The focus of these statutes was (and remains) to combat the proliferation of weapons of mass destruction (WMD) and missile systems, and to disrupt foreign terrorist and trafficking networks, through the targeted application of sanctions on individuals, commercial entities, and on foreign governments sponsoring such activities. Over the course of more than six years, I collaborated with the Office of Foreign Assets Control, the Department of State Counter-Terrorism Coordinator and the Nonproliferation Bureau, and the U.S. Intelligence Community to ensure that these statutes were effectively implemented, and that additional tools and resources were made available to counter both terrorist and WMD-related threats to our national security. I therefore have the deepest appreciation for the important role played by Congress in these matters.

Second, I have a background working on the closely-related topics of terrorism and proliferation across both the U.S. interagency and internationally. In 2001, I assumed the role of Deputy Assistant Secretary of Defense for Negotiations Policy, where – among other things – I was responsible for establishing DoD policy on nonproliferation and counter-proliferation matters. Chief among those duties was the requirement to work closely with friendly and allied nations to disrupt and deter terrorism and to prevent acquisition of WMD by terrorist organizations. In so doing, I contributed to the launching of several new multilateral initiatives, such as the Proliferation Security Initiative, expansion of the Suppression of Unlawful Acts at Sea Convention, and the World Health Organization's acknowledgment that the US would retain stocks of the smallpox virus to assist in development of new defenses against potential terrorist weaponization of the deadly virus.

Third, I appreciate how important are financial and economic tools in the fight against terrorism. After 9/11, I was asked to assume the role of Principal Deputy Assistant Secretary for Special Operations and Low Intensity Conflict (SO/LIC). In that position, Secretary Rumsfeld charged me with developing the first global campaign plan against al'Qaida. Disruption of the terror network's financing operations featured heavily in both our planning, and in day-to-day operations. Working very closely with multiple Treasury offices, I established the first DoD Counter Threat Finance cell within SO/LIC, with a detailee from Treasury playing a central role. As a member of the interagency Counter-Terrorism Security Group (CSG), I coordinated with both the FBI, Intelligence Community, State Department, and the Treasury to identify and disrupt critical financiers, and financial transfer mechanisms (e.g., hawalah banking and funding flows between non-governmental "charities" supporting terrorism), in addition to a range of other operational activities.

Fourth, "buy in" to new initiatives by friendly nations is often crucial. At NATO, from 2003-2006, I served as the Assistant Secretary General for Defense Investment. In that capacity, I forged close working relationships with officials from across the Alliance – many of whom retain senior offices in their capitals and are in a position to support US initiatives to combat illicit financial flows. While at NATO, I secured Alliance agreement to launch more than a dozen counter-terrorism related measures, and drove creation of NATO's Special Operations Headquarters. In addition to working with Foreign and Defense Ministers, I also worked closely with Finance Ministers to secure funding for a number of new programs, such as creation of a NATO training mission in Iraq and



acquisition of NATO theater ballistic missile defenses. My track record at NATO is one of innovation and careful cultivation of multinational support.

Finally, disrupting terrorist finance and other forms of illicit trade requires working closely with the private sector, whether – for instance – to improve banking procedures, or to understand and capitalize on revolutionary technologies, tactics, and techniques. Since 2009, I have served as Managing Director at Deloitte, the world's largest professional services firm. Within Deloitte, I lead the Federal Business Intelligence Services (BIS) group, which performs cutting-edge commercial due diligence into third parties on behalf of both the Federal Government and many Fortune 500 companies. Our BIS group serves a wide range of intelligence, counter-intelligence, and law enforcement clients. The results of our investigations have contributed to OFAC sanctions, UN Security Council Resolutions, and actions by the Departments of Commerce, State, Defense, Customs and Border Protection, and the Drug Enforcement Agency to disrupt the financial and business ecosystems of multiple terrorist groups and state-sponsors. I bring to the Treasury Department close working relationships across the global financial services, technology and telecommunications sectors, and will leverage those professional connections to advance our national security agenda.

In conclusion, I appreciate the opportunity afforded by the Committee on Banking to describe my credentials as they relate to countering terrorist finance. My experience gives me Congressional, diplomatic, special operations, and private sector perspectives on this complex challenge. I also have a track record of successful innovation, which is essential against adversaries who continue to evolve their own tradecraft. I believe my skills will complement those of other nominees to senior Treasury positions, and I look forward to further discussions with the Committee.

**PREPARED STATEMENT OF HEATH P. TARBERT**

TO BE ASSISTANT SECRETARY, INTERNATIONAL MARKETS AND DEVELOPMENT,  
DEPARTMENT OF THE TREASURY

MAY 16, 2017

Chairman Crapo, Ranking Member Brown, and distinguished Members of the Committee, I am honored to appear before you today. I am humbled by the confidence the President has shown in me by nominating me to be the next Assistant Secretary of the Treasury for International Markets and Development.

I appear before you today with full recognition of the serious responsibilities associated with this position. If confirmed as Assistant Secretary, I would lead nine of the Treasury Department's offices charged with protecting and supporting foreign investment in the United States, reducing global financial instability, fostering international economic development, and managing key global challenges. I believe that my professional background and desire to serve our country will enable me to perform this role and work to keep our country safe and prosperous.

While growing up in Baltimore, my family emphasized hard work, education, and the importance of public service at every level of Government. Both of my grandfathers fought in World War II: one with the Army in Europe, one with the Navy in the Pacific. One of my uncles was a police officer; another a firefighter. My father went to night school to become an accountant, and eventually served as Comptroller of the Maryland Port Administration and of the Baltimore County Community College System. Although my father passed away after a courageous battle with cancer, his commitment to public service remains a guiding example for me.

Each of my adult guests today is or has been a public servant. My mother retired as a Child Support Enforcement Officer, my sister-in-law is a public school teacher, and my brother just completed a term as Deputy Mayor of Baltimore for Economic and Neighborhood Development. Finally, my wife Kate and I met clerking for the U.S. Court of Appeals here in Washington. Now a full-time mom to our two young sons, she has served in the Justice Department and as a law clerk to the Chief Justice of the United States. I have been inspired by their dedication to public service as well.

I, myself, have had the privilege of serving in all three branches of the Federal Government. One of my most enjoyable jobs in public service was working as Special Counsel to this Committee in 2009–10. During that period, I had the privilege of working closely with Banking Committee staff members and legislative directors on both sides of the aisle on a number of important international economic issues. It was especially an honor to serve under your leadership, Senator Shelby.

Since leaving the Banking Committee staff, I have practiced as a regulatory compliance lawyer, with a chief focus on international markets. In this role, I have assisted public and private sector institutions from outside the United States make investments in our country that created jobs for working Americans and their families. I have also helped financial services companies around the world comply with regulatory and supervisory measures intended to make them safer and sounder, thereby reducing or eliminating the possibility of future taxpayer-funded bailouts. In addition, I have designed compliance programs aimed at detecting and preventing money laundering and terrorist financing.

If confirmed as Assistant Secretary of the Treasury, I hope to work closely with this Committee, others in the Senate and House of Representatives, and my colleagues in the Administration to carry out my responsibilities.

Thank you again for the opportunity to appear before you today. I am happy to answer any questions you may have.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES
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**Name:** Tarbert Heath Price  
(Last) (First) (Middle)

**Position to which nominated:** Assistant Secretary of the Treasury  
for International Markets and Development

**Date of nomination:** April 4, 2017

**Date of birth:** 15 July 1976 **Place of birth:** Baltimore, Maryland  
(Day) (Month) (Year)

**Marital Status:** Married **Full name of spouse:** Kathryn Elizabeth Tarbert

**Name and ages of children:**

Benjamin Heath Tarbert (Age 5)

Nathaniel Prescott Tarbert (Age 2)

**Education:**

INSTITUTION	DATES ATTENDED	DEGREES RECEIVED	DATES OF DEGREES
University of Oxford Oxford, England	September 2001- December 2005*  *(in residence September 2001- February 2003)	Doctor of Philosophy (DPhil)  Master of Studies (MSt)	November 2005  November 2002
University of Pennsylvania Philadelphia, Pennsylvania	August 1998- December 2002*  *(in residence August 1998- May 2001)	Doctor of Juridical Science (SJD)  Juris Doctor (JD)	December 2002  May 2001
Mount St. Mary's University Emmitsburg, Maryland	August 1994- May 1998	Bachelor of Science (BS)	May 1998

**Honors and awards:** List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

**Professional Honors & Awards**

Band 3 Ranking, Financial Services Regulation (Nationwide), *Chambers USA* (2016)  
 "Washington, DC Super Lawyer," *Super Lawyers* (2016)  
 "Recommended Lawyer" for Financial Institutions Regulatory, *The Legal 500 USA* (2013, 2014, 2015, 2016)  
 "Leading Lawyer," *IFLR 1000: The Guide to the World's Leading Law Firms* (2012, 2013, 2014, 2015, 2016)  
 "Washington, DC Rising Star," *Super Lawyers* (2013, 2014, 2015)  
 "Up and Comer" for Financial Services Regulation (Nationwide), *Chambers USA* (2015)  
 "Leading Advisor," *Acquisition International* (2014)  
 "Rising Star" in Banking, *Law 360* (2013)  
 "Rising Star of Corporate Governance," Columbia University, Millstein Center for Global Markets and Corporate Ownership (2013)  
 Dean's Circle of Excellence Award, Mount St. Mary's University (2013)  
 Pro Bono Service Award, Weil, Gotshal & Manges LLP (2011, 2012, 2013)  
 Recognized in "Guide to World-Class Lawyers," *Lawdragon* (2012)  
 Burton Award for Legal Writing, The Burton Foundation (2011)  
 Distinguished Young Alumni Award, Mount St. Mary's University (2010)  
 M. Stanton Evans Alumni Award, Intercollegiate Studies Institute (2007)

**Graduate Honors, Awards, & Scholarships**

The Thouron Award for Postgraduate Study in the United Kingdom (2001-2002)  
 Oscar Bregman Graduation Prize for Excellence in Business Law, University of Pennsylvania (2001)  
 Order of the Coif, University of Pennsylvania (2001)  
 Humane Studies Fellowship, Institute for Humane Studies (2000-2001)  
 Mendes Hershman Student Writing Award, American Bar Association (2000)  
 University of Pennsylvania Law School Scholarship (1998-2000)  
 Italian American Civic Club of Maryland Scholarship (c. 1998-2000)  
 J.C. Stewart Memorial Trust Scholarship (c. 1998-2000)

**Undergraduate Honors, Awards, & Scholarships**

Bishop Edward P. Allen Memorial Prize (highest scholastic average after four years), Mount St. Mary's University (1998)  
 Edward T. Hogan Memorial Prize for Pre-Law Studies, Mount St. Mary's University (1998)  
 Monsignor Bernard J. Bradley Memorial Prizes for Accounting and Business Administration, Mount St. Mary's University (1998)  
 Project 21 Poster & Essay Competition Scholarship (1998)  
 Mount St. Mary's Honors Scholarship (1994-1998)  
 National Dean's List (1994-1998)  
 Dean's List, Mount St. Mary's University (1994-1998)  
 Monsignor Tierney Memorial Prize (highest scholastic average after junior year), Mount St. Mary's University (1997)  
 Delta Mu Delta (National Honor Society for Business Administration) (1996-1998)  
 Delta Epsilon Sigma (National Catholic Honor Society) (1996-1998)  
 Phi Sigma Tau (International Honor Society for Philosophy) (1996-1998)

Honors Internship, Federal Bureau of Investigation, Washington, D.C. (Summer 1997)  
 1st Place, *The Myth of the Robber Barons* National Essay Contest, Young America's Foundation (1997)  
 Student Leadership Award, *Wall Street Journal* (1997)  
 Golden Knight Award, Knights of Columbus (1997)  
 Award of Excellence, The Maryland Association of CPAs (1997)  
 Healthcare Financial Management Association Scholarship (1997)  
 Mildred R. Marion Scholarship, Delta Mu Delta (1997)  
 Mid-Atlantic Association of College Housing Officers Award (1997)  
 Delta Epsilon Sigma Scholarship (c. 1997)  
 Maryland Association of CPAs Scholarship (c. 1996-1997)  
 National Honors Fellow, Intercollegiate Studies Institute (1996-1997)  
 William G. McGowan Scholarship (c. 1996-1997)  
 Edmund Ryan Memorial Prize (highest scholastic average after sophomore year), Mount St. Mary's University (1996)  
 Ducere Award, Office of Student Development, Mount St. Mary's University (1996)  
 Helen D. Snow Scholarship, Delta Mu Delta (1996)  
 Mount St. Mary's Catholic High School Scholarship (c. 1994-1996)  
 State of Maryland General Scholastic Grant (c. 1994-1996)  
 Chairman of the Year Award, Maryland Federation of College Republicans (1995)  
 Monsignor Hugh J. Phillips Prize (highest scholastic average after freshman year), Mount St. Mary's University (1995)

**Memberships:** List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

#### Bar Admissions

Supreme Court of England & Wales (Solicitor) (2010)  
 Supreme Court of the United States (2008)  
 U.S. Court of Appeals for the D.C. Circuit (2006)  
 U.S. Court of Appeals for the Second Circuit (2005)  
 District of Columbia (2004)  
 State of New York (2003)

#### Financial Certifications/Charters

Certified Anti-Money Laundering Specialist (CAMS) (2015)  
 Chartered Financial Analyst (CFA) (2013)  
 Certified Public Accountant (CPA) (2003)

#### Memberships & Offices Held Currently/Recently

American Law Institute, Elected Member (2017-Present)  
 American Bar Foundation, Life Fellow (2016-Present)  
 Association of Certified Anti-Money Laundering Specialists (2015-Present)  
*Bloomberg BNA Banking Report*, Board of Advisors (2015-Present)  
*Review of Securities & Commodities Regulation*, Board of Advisors (2015-Present)  
 The Metropolitan Club of Washington, D.C. (2015-Present)  
 New York Society of Security Analysts (2014-Present)  
 American Institute of Certified Public Accountants (2013-Present)  
 The Atlantic Council (2013-Present)



Harvard Law School, Program on International Financial Systems, Senior Fellow (2013-Present)  
 American Enterprise Institute, Young Enterprise Club (2012-Present)  
 The Bretton Woods Committee (2012-Present)  
 Exchequer Club of Washington, D.C. (2012-Present)  
*Review of Banking and Financial Services*, Board of Advisors (2012-Present)  
 Federal Bar Association, Banking Law Executive Council Member (2012-2015)  
 American Bar Association (c. 2011-Present)
 

- Committee on Corporate Governance (2016-Present)
- Subcommittee on Systemically Important Financial Institutions, Chairman (2014-Present), Vice Chairman (2011-2014)
- Banking Law Committee (2011-Present)

*Banking Law Journal*, Board of Editors (2011-Present)  
 Salzburg Global Fellowship, Faculty Member & Fellow (2011-Present)  
 Council on Foreign Relations, Term Member (2011-2016)  
 Mount St. Mary's University, Pre-Law Advisory Board Member (2010-Present)  
 Shrine of the Most Blessed Sacrament, Parishioner (2010-Present)  
 Sovereign Military Order of Malta, Knight of Magisterial Grace (2010-Present)  
 The Heritage Foundation (c. 2005-Present)  
 Cathedral of St. Matthew the Apostle, Parishioner (c.2005-2010)  
 CFA Institute (c. 2003-Present)  
 The Oxford Union, Life Member (2001-Present)  
 Federalist Society for Law and Public Policy Studies (1998-Present)  
 Knights of Columbus, 4<sup>th</sup> Degree Knight (c. 1995-Present)  
 Intercollegiate Studies Institute (1994-Present)  
 National Eagle Scout Association (c. 1991-Present)

#### Memberships & Offices Held as a Full-Time Graduate/Undergraduate Student

Oxford University Conservative Students Association (2001-2002)  
 Oxford Speakers Club (2001-2002)  
 President of the Penn Law Class of 2001 (2001)  
 Penn Law Republicans, President (2000-2001)  
 Penn Law Federalist Society, President (1999-2000)  
*Harvard Journal of Law & Public Policy* Annual Symposium Issue, Executive Editor (2000)  
*University of Pennsylvania Law Review*, Senior Editor (1999-2001)  
 Delta Mu Delta, College Chapter President (c. 1997-1998)  
 Maryland Federation of College Republicans 1st Vice Chair (1996-1997)  
 Maryland Higher Education Commission, Student Representative (c. 1996-1997)  
 Student Government Executive Board, Security Committee Chair (c.1996-1997)  
 Mount St. Mary's Business School Advisory Board (1996-1998)  
 Mount St. Mary's International Affairs Organization (c. 1996-1998)  
 Model Arab League, National Council on U.S.-Arab Relations, Student Participant (c. 1996)  
 Society for the Advancement of Management, College Chapter President (c. 1995-1997)  
 Catholic Charities of Maryland, Project Aware Campus Coordinator (c. 1995-1997)  
 Mount St. Mary's Campus Ministry, Usher Chairman (c. 1995-1997)  
 Mount Republicans, Founder and President (1994-1996)  
 Maryland Special Olympics, Volunteer (c. 1994-1995)

**Employment record:** List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

**Allen & Overy LLP, Washington, D.C., New York, London**

*Partner, January 2014–Present*

- Chair the U.S. bank regulatory group and serve as a member of the UK-EU financial services regulatory practice.
- Have counseled more than 130 banks, securities firms, clearinghouses, and other institutions on compliance with U.S. financial laws.
- Specialize in Dodd-Frank Act guidance, focusing on recovery and resolution planning, systemic risk regulation, and structuring and compliance activities in connection with the Volcker Rule.
- Counsel clients on international regulatory and prudential standards issued by the Basel Committee on Banking Supervision and other international bodies.
- Represent clients on cybersecurity, anti-money laundering, and counter-terrorist financing compliance and investigations.
- Advise in crisis management situations and represent clients responding to congressional inquiries.

**Weil, Gotshal & Manges LLP, Washington, D.C., New York**

*Partner, January 2012–December 2013*

*Senior Counsel, April 2010–December 2011*

- Counseled more than 80 financial institutions, private equity firms, and sovereign wealth funds on aspects of the Dodd-Frank Act and other federal banking and securities laws.
- Established and led the firm's Financial Regulatory Reform Working Group and served as co-chair of the Financial Institutions Regulatory practice.

**U.S. Senate Committee on Banking, Housing, and Urban Affairs**

*Special Counsel, August 2009–March 2010*

- Served as an expert and negotiator on the various legislative proposals that culminated in the Dodd-Frank Act.
- Provided expertise on measures aimed at the reduction of systemic risk, the prudential regulation of financial institutions, and the centralized clearing of over-the-counter derivatives.

**Committee on Capital Markets Regulation, Cambridge, MA**

*Vice President & Deputy Director, February 2009–August 2009*

- Managed the coordination and work of the Committee—a group of 30 leaders from business, finance, law, accounting, academia, and the investor community—focusing on the competitiveness of U.S. capital markets and financial stability.
- Supervised approximately 25 full-time and part-time staff members and research associates in a variety of projects, including completion of a 300-page policy manuscript entitled *The Global Financial Crisis: A Plan for Regulatory Reform*.

**Executive Office of the President, The White House**

*Associate Counsel to the President, August 2008–January 2009*

- Provided legal advice to senior White House and Cabinet department officials with respect to financial markets and related economic issues.
- Served as counsel to the National Economic Council and the Council of Economic Advisers.
- Served as legal liaison to the Treasury Department, Federal Reserve Board, Securities and Exchange Commission, and Federal Deposit Insurance Corporation during the global financial crisis.

- Provided legal analysis of constitutional issues relevant to the U.S. Presidency.
- Held U.S. Government Top Secret/SCI clearance.

**Justice Clarence Thomas, Supreme Court of the United States**

*Law Clerk, July 2007–July 2008*

- Reviewed and wrote memoranda on hundreds of petitions for certiorari; assisted with merits work and other business of the Supreme Court.
- Held U.S. Government Top Secret/SCI clearance.

**Office of Legal Counsel, U.S. Department of Justice**

*Attorney-Adviser, September 2006–July 2007*

- Drafted legal opinions on behalf of the U.S. Attorney General and provided written opinions and oral advice in response to requests from the White House and Cabinet departments and agencies.
- Reviewed over 100 pieces of pending legislation for constitutional issues.
- Analyzed proposed executive orders and presidential proclamations for form and legality.
- Held U.S. Government Top Secret/SCI clearance.

**Chief Judge Douglas H. Ginsburg, U.S. Court of Appeals for the D.C. Circuit**

*Law Clerk, August 2005–August 2006*

- Assisted with the disposition of over 30 cases and dozens of petitions for panel and en banc rehearing; performed research for several scholarly publications.
- Held U.S. Government Top Secret/SCI clearance.

**Sullivan & Cromwell LLP, Washington, D.C.**

*Associate, February 2003–August 2005*

*Summer Associate, 2000 and 2001*

- Performed corporate due diligence for major transactions and filed periodic reports with the Securities and Exchange Commission.
- Drafted legal briefs and other submissions for courts and federal agencies.

**U.S. Attorney's Office, Baltimore, Maryland**

*Law Clerk, Violent Crime and Drug Unit, Criminal Division, June 1998–August 1998*

- Researched legal issues and drafted memoranda, responded to defense motions, summarized trial transcripts for appellate briefs.

**PDP Inc., Hunt Valley, Maryland**

*Insurance Verifier/Lease Tracker, May 1998–August 1998*

- Verified automobile insurance on leased vehicles and trained other employees on a new auto-dial telephone/computer system.

**Government**

**experience:** List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

As noted in my Employment Record above, I have served in the following capacities within the Federal Government:

- Special Counsel, U.S. Senate Committee on Banking, Housing, and Urban Affairs (2009-2010)
- Associate Counsel to the President, The White House (2008-2009)



- Law Clerk, Supreme Court of the United States (2007-2008)
- Attorney-Adviser, Office of Legal Counsel, U.S. Department of Justice (2006-2007)
- Law Clerk, U.S. Court of Appeals for the D.C. Circuit (2005-2006)
- Law Clerk, U.S. Attorney's Office (D. Md.) (1999)

In addition to those positions listed above, during high school and college I also served in the following capacities within the Federal, State, and local government:

- Honors Intern, Federal Bureau of Investigation (1997)
- Student Representative, Maryland Higher Education Commission (c. 1996-1997)
- Circulation Assistant, Baltimore County Public Library (c. 1991-1994)

#### **Published**

**Writings:** List the titles, publishers and dates of books, articles, reports or other published materials you have written.\*

*Bank-Affiliate Transactions*, BLOOMBERG BNA BANKING PRACTICE PORTFOLIO SERIES (forthcoming 2017) (co-author).

*Liquidity Coverage Ratio*, BLOOMBERG BNA BANKING PRACTICE PORTFOLIO SERIES, No. 451 (2017) (co-author).

*Principled Accommodation: The Bush Administration's Approach to Congressional Oversight and Executive Privilege*, 32 J.L. & POL. 95 (2016) (co-author).

*Cybersecurity for Banks: The Legal and Regulatory Framework*, PRACTICAL LAW-THE JOURNAL 52 (June 2016) (co-author).

*The Perils and Promise of Correspondent Banking*, 133 BANKING L.J. 53 (Feb. 2016) (co-author).

*Volcker Rule Continues to Challenge the CLO Market*, LAW 360 (Oct. 22, 2015) (co-author).

*CLOs and the Volcker Rule*, REV. BANKING & FIN. SERV. 81 (Aug. 2015) (co-author).

*Confronting Systemic Risk: Enhanced Standards for Foreign Banks*, 25 BUS. L. TODAY (May 2015) (co-author).

*Global Banks Face Higher Capital Requirements in FSB "TLAC" Proposal*, 132 BANKING L.J. 186 (Apr. 2015) (co-author).

*Regulators Confront Weakening Lending Standards*, 131 BANKING L.J. 767 (Oct. 2014) (co-author).

*Private Equity Funds and the Volcker Rule*, 47 REV. SECURITIES & COMMODITIES REG. 171 (July 2014) (co-author).

Foreword to *THE ART OF BANK M&A* by Alexandra R. Lajoux & Dennis J. Roberts (McGraw-Hill 2014).

\* In addition to the materials cited above, I have been listed as a contact person (among others) on various law firm publications during the last seven years.

- Recognizing the Institutional Benefits of Dodd-Frank Resolution Planning*, BANKING & FIN. SERV. POL'Y REP. (Apr. 2013) (co-author)
- The Dodd-Frank Act – Two Years Later*, 66 CONSUMER FIN. L. Q. REP. 3 (Dec. 2012/Jan. 2013).
- Better Late Than Never? FSB Reports Regulatory Reform Is Advancing, But Slowly*, 66 CONSUMER FIN. L. Q. REP. 34 (Dec. 2012/Jan. 2013) (co-author).
- Resolve To Make It Better: Lessons Learned in the Resolution Planning Process*, THE RMA JOURNAL, Oct. 1, 2012 (co-author).
- FSB Reports Regulatory Reform Is Advancing, But Slowly*, THE HARVARD LAW SCHOOL FORUM ON CORPORATE GOVERNANCE AND FINANCIAL REGULATION, July 20, 2012 (co-author).
- Resolution Planning: Lessons Learned*, BANK DIRECTOR, July 6, 2012 (co-author).
- "Living Wills" Present an Opportunity for Banks*, AMERICAN BANKER, July 3, 2012 (co-author).
- A SIFI in Three Easy Steps? FSOC Approves Final Rule for Nonbank SIFI Designations*, 129 BANKING L.J. 419 (May 2012) (co-author).
- Navigating Dodd-Frank's Resolution Plan Requirement*, N.Y.L.J., Dec. 5, 2011 (co-author).
- Test Your Resolution: Living Wills in an Era of Regulatory Uncertainty*, 128 BANKING L.J. 916 (Nov./Dec. 2011) (co-author).
- Dodd-Frank, One Year Later: A Primer on the Federal Rulemaking Process*, THE METROPOLITAN CORPORATE COUNSEL, Aug. 2011, at 30 (co-author).
- Basel III: An Overview*, BANKING & FIN. SERV. POL'Y REP. 1 (May 2011) (co-author).
- The Volcker Rule and the Future of Private Equity*, REV. BANKING & FIN. SERV. 43 (May 2011) (co-author).
- Dodd-Frank's Enforcement and Litigation Provisions*, ABA IN-HOUSE LITIGATOR, Winter 2011 (co-author).
- Bank M&A in the Wake of Dodd-Frank*, 127 BANKING L.J. 909 (Nov./Dec. 2010) (co-author).
- Hedge Funds: Spotlight*, BLOOMBERG BRIEF, Nov. 12, 2010 (co-author).
- Dodd-Frank & Securitization: The Basics You Need to Know*, ABS EAST DAILY, Oct. 4, 2010 (co-author).
- Bank Deaths Give Rise to "Living Wills,"* THOMPSON REUTERS: WALL STREET LAWYER, Oct. 2010.
- The Dodd-Frank Act and Credit Derivatives: A Market Transformed*, BLOOMBERG LAW REPORTS: COMMODITIES & DERIVATIVES—SWAPS AND OVER-THE-COUNTER DERIVATIVES, Sept. 7, 2010 (co-author).
- The Dodd-Frank Act: The UK Perspective*, PRACTICAL LAW COMPANY: FINANCE, Sept. 2, 2010 (co-author).

*The Vagaries of the Volcker Rule: The Rule Raises Far More Questions than It Answers*, INT'L FIN. L. REV. 38 (Sept. 2010).

*The President Signs Landmark Financial Reform Bill*, THE METROPOLITAN CORPORATE COUNSEL, Aug. 2010, at 16.

*The Global Financial Crisis: A Plan for Regulatory Reform*, COMMITTEE ON CAPITAL MARKETS REGULATION, May 26, 2009 (contributor).

*Merger Breakup Fees: A Critical Challenge to Anglo-American Corporate Law*, 34 LAW & POL'Y INT'L BUS. 627 (2003).

*Rethinking Capital Adequacy: The Basle Accord and the New Framework*, 56 BUS. LAW. 767 (2001).

*Are International Capital Adequacy Rules Adequate? The Basle Accord and Beyond*, 148 U. PA. L. REV. 1771 (2000) (comment).

#### Political

##### Affiliations

**and activities:** List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Volunteer, Donald J. Trump Presidential Transition Team (2016-2017)

- Landing Team for the Federal Deposit Insurance Corporation (FDIC)
- Landing Team for the Office of the Comptroller of the Currency (OCC)

Volunteer, Jeb 2016, Inc. (2015-2016)

- Financial Services Policy Team
- Volunteer fundraiser

Volunteer, Mitch McConnell for Senate (2014)

- Field Attorney, Bullitt County, KY (November 2014)

#### Political

**Contributions:** Itemize all political contributions of \$500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

AMOUNT	DATE	RECIPIENT
\$2500	12/01/2016	Donald J. Trump (R) (Trump for America, Inc.)
\$1000	01/27/2016	John D. Adams (R) (John Adams for Virginia)
\$2700	06/25/2015	John E. Bush (R) (JEB 2016, Inc.)
\$500	07/28/2014	Elise M. Stefanik (R) (Elise for Congress)
\$1000	03/26/2014	Edward W. Gillespie (R) (Ed Gillespie for Senate)
\$1000	03/24/2014	Thomas B. Cotton (R) (Cotton for Senate)
\$500	02/07/2012	Willard M. Romney (R) (Romney for President, Inc.)

**Qualifications:** State fully your qualifications to serve in the position to which you have been named.  
(attach sheet)

Please refer to Annex A: "Assistant Secretary of the Treasury for International Markets and Development."

**Future employment**

**relationships:** 1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

If confirmed by the Senate, I will sever all connections with my present employer, Allen & Overy LLP. Please see my completed Form 278 for further details.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

As far as can be foreseen, I have no plans to return to Allen & Overy LLP after completing my government service.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

**Potential conflicts  
of interest:**

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

To my knowledge, I do not have any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients, or customers who will be affected by policies that I will influence if I am confirmed as Assistant Secretary of the Treasury for International Markets and Development.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

To my knowledge, I have no investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest that are not addressed by my Ethics Agreement.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

During the last 10 years, I have neither appeared nor represented a client before the Office of International Affairs of the Department of the Treasury. Furthermore, I am not aware of any business relationship, dealing, or financial transaction that might in any way constitute or result in a possible conflict of interest with the position of Assistant Secretary of the Treasury for International Markets and Development.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

My day-to-day practice of law has involved occasional interactions with legislative staffs and executive branch officials, but I have never taken on a lobbying representation or engaged in activities that would require me to register as a lobbyist.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

As noted above, I do not believe there are any potential conflicts of interest that are not addressed by my Ethics Agreement. Should a potential conflict arise, I will consult with my Designated Agency Ethics Official and other ethics staff within the Office of the General Counsel of the Department of the Treasury and take appropriate action.

**Civil, criminal and  
investigatory  
actions:**

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

Not applicable.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

Not applicable.

The undersigned certifies that the information contained herein is true and correct.

Signed:

*Heath P. Tarbert*

Date: *April 21, 2017*



ANNEX A**Assistant Secretary of the Treasury for International Markets and Development**

**Overview:** This Assistant Secretary (A/S) position within the Treasury Department's Office of International Affairs was created in 2007 to address the growing need for a presidential appointee with a legal/regulatory background to oversee (1) the CFIUS process and (2) the international financial regulatory agenda established by the G-20 and the Financial Stability Board. This A/S also negotiates the financial services provisions of trade agreements and oversees U.S. policies regarding the development banks. A qualified nominee would ideally have the following substantive, skills-based, and technical background:

- *Financial Regulatory Expertise.* The A/S is responsible for coordination and formulation of U.S. positions on major regulatory issues developed by the Financial Stability Board and agreed to by the G-20 leaders.
  - I have spent much of the last decade working in the field of international financial regulation. I serve as outside Legal Advisor to the Systemic Risk Council, as Chair of the American Bar Association's Subcommittee on Systemically Important Financial Institutions, and as a Senior Fellow at the Harvard Law School Program on International Financial Systems. During the Dodd-Frank legislative process, I served on the staff of the Senate Banking Committee where I focused on banking and financial stability regulation. I also focused my doctoral studies at the University of Pennsylvania on the Basel Committee on Banking Supervision and international financial regulatory standards.
- *Intelligence & Legal Analysis/Security Clearance.* The A/S oversees the CFIUS adjudication process, which involves the investigation and analysis of whether a prospective foreign investment in the United States presents national security risks or otherwise runs afoul of relevant CFIUS regulations.
  - I have intermittently held a Top Secret-level clearance since interning for the FBI in 1997. I have worked on matters involving national security issues in several of my positions in the Federal Government. Earlier in my career I clerked for the U.S. Court of Appeals for the D.C. Circuit, which has exercised appellate jurisdiction over aspects of the CFIUS process. Since then, I have a developed considerable expertise in the interpretation and enforcement of federal regulations.
- *Experience in Drafting/Negotiating Agreements.* The A/S is charged with negotiating those portions of trade agreements involving financial services issues (banking/securities/asset management) and coordinating with the USTR on insurance issues and other relevant fields. The A/S also represents the United States in the Paris Club debt negotiations with borrower countries.
  - As a dual-qualified US-UK lawyer, I have experience in negotiating and drafting agreements with domestic and foreign parties under American and foreign legal regimes, including debt restructurings.
- *International Economics/Relations.* The A/S should have some knowledge of international relations, finance, trade, and development issues and be able to represent the Department and the United States before the multinational organizations and foreign governments.
  - Since 2010, I have practiced law in the field of international banking law and regulation and advised more than 200 private and public sector institutions in the Americas, Europe, the Middle East, and the Asia-Pacific region. During this time, I visited 16 countries to deliver lectures and presentations on U.S. financial regulation to clients, industry groups, professional associations, and universities. I have been active in the Council on Foreign Relations, The Bretton Woods Committee, and other organizations focused on international relations and economics. I also hold the Chartered Financial Analyst (CFA) designation, which required intensive study in finance and economics.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CORKER  
FROM SIGAL P. MANDELKER**

**Q.1.** Do you believe the current anti-money laundering regime is as effective as it could be? If not, would you be open to a realignment of incentives and the setting of priorities within the regime? Additionally, are there certain areas that you feel are ripe for reform?

**A.1.** I believe that the current U.S. anti-money laundering and countering the financing of terrorism (AML/CFT) regime is strong. The United States has been a leader in the world, including through the Financial Action Task Force (FATF), in combatting money laundering and terrorist financing. We have to constantly evaluate, however, how to evolve these tools to meet new challenges, technologies, and threats.

If confirmed, one of my top priorities will be to assess the effectiveness of our tools and to engage in comprehensive discussions within Treasury and with other stakeholders, including the law enforcement community, other regulators, the Congress, and the private sector, regarding mechanisms to improve these safeguards in the U.S. financial system, to further enhance transparency, and to assess Treasury's analytic and information sharing tools both within the Government and with the private sector. I believe that Treasury should be open to realigning incentives and setting priorities as threats evolve, and as our law enforcement, regulatory, foreign policy, and national security priorities shift to meet new and emerging challenges. If confirmed, I will carefully assess what areas are ripe for reform after engaging in these discussions and will look forward to addressing them with you.

**Q.2.** Financial institutions are withdrawing from customer relationships and businesses that are perceived to pose risks under the anti-money laundering laws. Do you think this so-called "de-risking" by financial institutions undermines the effectiveness of our anti-money laundering regime? If so, has past enforcement policy, or other aspects of the current legal framework, created incentives to "de-risk"? Are there additional safe harbors or other changes to the legal framework that might better align financial institutions' incentives in order to avoid that pressure to "de-risk"?

**A.2.** In this area, we must advance two complementary objectives: safeguarding the financial system from abuse and promoting financial inclusion where appropriate. We should continue to engage in a robust conversation with financial institutions about mechanisms for de-risking that simultaneously promote both objectives. If confirmed, I will look forward to discussing these issues with public and private sector stakeholders in order to maintain an effective AML/CFT framework, ensure that the risk-based approach is appropriately applied, promote innovation where appropriate in the private sector's use of new tools to analyze data, and facilitate a clear understanding of both illicit finance risks and U.S. legal and regulatory expectations.

For example, I believe that it is important to consider how to share more targeted information and provide dynamic feedback to the private sector in order to enhance its ability to engage in decision making as it manages risk. Likewise, I believe that financial



institutions should continually assess how to improve their analytic capabilities as part of the risk calculus that they undertake.

**Q.3.** Do you see opportunities to facilitate or otherwise encourage financial institutions to voluntarily engage in information sharing under the PATRIOT Act? In particular, could new regulatory guidance or even legislative changes address some of the ambiguities under the relevant provisions of the PATRIOT Act or otherwise encourage financial institutions to expand their voluntary information sharing?

**A.3.** Yes, there are opportunities to facilitate greater sharing of information under the USA PATRIOT Act. I am encouraged that some financial institutions have begun to utilize the information-sharing safe harbor provided by the USA PATRIOT Act. However, I believe that much more can be accomplished in this area. If confirmed, I will consult with the career professionals at Treasury and with the private sector regarding to what degree we need greater regulatory guidance or, if warranted, legislative changes both to address any ambiguities and to facilitate information sharing, while being mindful of the need to balance such sharing with data privacy equities and civil liberties. I look forward to consulting with Congress on these issues.

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR TOOMEY  
FROM SIGAL P. MANDELKER**

**Q.1.** Iran and other State sponsors of terrorism have been caught laundering billions of dollars through the U.S. financial system with the aid of foreign financial institutions. Though the money laundering techniques vary, their goal is the same—to exploit sanctions law for their own benefit. In particular, I worry that Iran and foreign financial service providers may have attempted to use creative book-entry accounting to violate both the spirit and the clear meaning of Iran sanctions.

Generally speaking, is the processing of a transaction involving an Iranian person through the United States permitted under current sanctions?

**A.1.** I share your concern regarding Iranian and foreign financial service provider attempts to use creative book-entry accounting to violate both the spirit and the clear meaning of Iran sanctions. Generally speaking, transactions involving Iran or Iranian persons are prohibited through or to the United States, unless the transaction is exempt or authorized by OFAC.

**Q.2.** Assuming a transaction is otherwise prohibited, would any book-entry system allow a foreign financial firm to move Iranian funds to, though, or within the United States?

**A.2.** As stated above, transactions involving Iran or Iranian persons are prohibited through or to the United States, unless the transaction is exempt or authorized by OFAC. If confirmed, I am committed to working to ensure that sanctions enforcement investigations examine fully the facts and circumstances surrounding any book-entry or book-transfer system in light of the applicable regulations concerning Iran. I will also carefully review this issue and commit to working with your office on this important question.

**Q.3.** Would you be willing to work together with my office and the Committee to ensure sanctions State sponsors of terror can no longer use those “book entry” transactions to evade sanctions?

**A.3.** If confirmed, I am committed to taking strong action against attempts to circumvent or evade U.S. sanctions laws—particularly with respect to transactions processed to, through, or within the United States and look forward to working with your office and the Committee on this important issue. Sanctions against Iran, as in all programs, should be implemented and enforced in a way that ensures that there are no loopholes that would allow prohibited transactions.

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR SASSE  
FROM SIGAL P. MANDELKER**

**Q.1.** Does Treasury have the necessary resources and capabilities to conduct a North Korean leadership asset hunt, as the North Koreans are adept at developing shell companies and other methods of hiding money?

**A.1.** I believe that it is vital that Treasury, along with its inter-agency and international partners, pursue all options to target the many ways in which North Korea hides its money. As I am not in the Administration, I have not had the opportunity to review whether Treasury has the necessary resources and capabilities to do so. If confirmed, I will carefully review this issue. As mentioned in my testimony, the North Korea threat will be one of my top priorities.

**Q.2.** What, if any, are your ideas for innovation in our sanctions capabilities? Is there anything we’re not doing that may be helpful? For example, are there financial analytical tools or practices from the private sector that should be adopted by the public sector?

**A.2.** I understand that Treasury has a track record of innovation in its use of sanctions as a tool to address foreign policy and national security threats. If confirmed, I will work with Secretary Mnuchin and other senior leaders in our Government to ensure that we are on the cutting edge of information analysis in support of our sanctions efforts and capabilities. Having spent the last 8 years in the private sector, I know that there are tremendous analytical tools available within the private sector. If confirmed, I will look forward to assessing Treasury’s tools and to improving upon them, including by consulting with the private sector as appropriate.

**Q.3.** How does the use of sanctions fit within a greater strategy? For example, do sanctions have to come after diplomatic efforts, or does it sometimes make sense to have them work in parallel with diplomatic efforts?

**A.3.** Sanctions are an important component of the broader national security and foreign policy toolkit available to the U.S. Government and can be designed to achieve a number of objectives. They can, for example, be effectively deployed to disrupt the financial and commercial activities of illicit actors, such as ISIS and Al Qaeda, and thus weaken and degrade our adversaries by undermining their financial infrastructure. When used against a Nation-State

adversary, sanctions can provide the leverage necessary to reach a diplomatic solution. Whether sanctions are deployed before, after, or in parallel with diplomatic or other efforts, however, depends on the circumstances. Every region, entity, individual, and problem presents unique challenges, and we need to make sure that we carefully tailor and deploy our tools to address those specific challenges.

**Q.4.** Do you have any recommendations for developing sanctions draw-down if a country alters its behavior in response to sanctions? How feasible are “snap back” sanctions?

**A.4.** Sanctions are not ends in themselves, but rather tools within our foreign policy and national security apparatus that are intended to create clear incentives to change behavior. When there is evidence that sanctions have achieved their intended objectives, the Administration may consider easing or lifting them. Typically, when drawing down sanctions or providing relief, the U.S. Government relies upon the authority granted to it under the International Emergency Economic Powers Act (IEEPA), including licensing authority and mechanisms specified in relevant sanctions laws, which often include waivers to provide tailored sanctions relief appropriate to a developing situation.

Flexibility in the executive branch’s authority to administer sanctions programs is critical, as it is often impossible to predict future developments that may require corrective action with respect to any draw-down efforts. When implementing a sanctions regime, we should consider how we would strategically unwind particular sanctions if we achieve our objectives while at the same time tactically use the possibility of unwinding as continued leverage. The effective use of unwinding tools can force actors to make decisions on a continual basis that furthers our strategic interests. While it is important to be able to unwind sanctions, we should be very careful and generally resistant to lifting sanctions when there is no behavioral change.

Similarly, with respect to “snap back” sanctions, we should have a comprehensive plan in place regarding the re-imposition of sanctions, including precise mechanisms and clear commitments and resolve from our partners where the sanctions are multilateral. The degree to which “snap back” sanctions are feasible will depend on how effective we are in persuading other countries and how committed they are to triggering “snap back” sanctions where the evidence supports it.

**Q.5.** When might secondary sanctions be appropriate?

**A.5.** We face grave national security risks, and secondary sanctions can be a powerful and very effective tool to address those risks. If confirmed, I will work closely within Treasury and with our partners across the U.S. Government, including Congress, to evaluate when secondary sanctions should be deployed to combat critical national security challenges. Such sanctions must be considered as part of a comprehensive strategy to curb any particular national security risk that includes a careful assessment of the benefits and risks of deploying this tool.

**Q.6.** What might be upcoming challenges related to bitcoin or other cryptocurrency, and will you develop a plan to address those challenges?

**A.6.** The emergence of a new generation of virtual currencies designed to provide complete transactional anonymity and the lack of global regulation and supervision in the virtual currency space presents complex challenges to our efforts to curb money laundering and terrorist financing. If confirmed, I will carefully examine these issues within Treasury, within the interagency, and with the private sector, including outside experts. We need to be rigorous in our understanding of the underlying technologies, assessment of our regulatory authorities and the degree to which modifications are necessary to promote transparency and protect the U.S. financial system from abuse, enforcement against noncompliant actors, and engagement with other countries.

**Q.7.** Does Treasury have the capabilities to track or fight against ransomware that uses cryptocurrency, and if not, will you commit to push for the development of said capabilities?

**A.7.** I understand that Treasury leverages its cyberexpertise to play an active role in determining how to protect our critical infrastructure from illicit cyberactivity, including ransomware as well as other business email compromises; deter those that engage in such activity; and use available financial data to track transactions and recover funds involved in illicit cyberactivity. If confirmed, I expect to gain a more detailed understanding of Treasury's existing capabilities in this space. I will support these efforts at Treasury and will promote strengthening capabilities where needed.

**Q.8.** What challenge does block chain pose to future sanctions, and does Treasury have the capabilities to meet those challenges?

**A.8.** It is my understanding that block-chain technology itself may not inherently be a threat to the effectiveness of sanctions or alter or reduce Treasury's enforcement jurisdiction, as block-chain technology is merely a distributed database system that creates and updates a secure transactional ledger. Nonetheless, there are always actors who seek to exploit technology for illicit gain. I am committed to addressing the threat posed by malign actors who, among other things, use services that seek to anonymize their presence, including through the use of block-chain based virtual currency payments. If confirmed, I will work to ensure that Treasury continues to develop expertise internally and fosters dialogue with both private industry and financial industry regulatory agencies regarding block-chain technology and its use in the financial sector.

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**RESPONSES TO WRITTEN QUESTIONS OF  
SENATOR MENENDEZ FROM SIGAL P. MANDELKER**

**Q.1.** In January 2016, the U.S. Patent and Trademark Office granted a license to allow Cubaexport to renew an expired trademark registration for Havana Club rum. Cubaexport is an entity wholly owned by the Cuban Government, and this decision reverses a longstanding policy that had denied Havana Club rights to Bacardi LLC in the United States. Despite repeated inquiries, the Office of Foreign Assets Control has yet to provide a satisfactory and legally

sound answer for this decision which in effect rewards the Castro Government that continues to oppress its people and deny them basic human rights.

Previously, when making licensing decisions, OFAC has relied upon Section 211, which determines “whether the applicant has obtained the consent of the original owner of the stolen mark or the latter’s bona fide successor-in-interest to register or renew that mark.” Since Havana Club was illegally confiscated from the Jose Arechabala Company (JASA), this decision to award the trademark to Cuba raises serious concerns about intellectual property policy implications.

If confirmed, are you planning to uphold OFAC’s decision to award the trademark to the Cuban Government? Or will you commit to reviewing and clarifying why OFAC departed from precedent and declined to apply Section 211?

**A.1.** I am not privy to the details regarding OFAC’s decision with respect to the Havana Club trademark, and it would not be appropriate for me to comment on any specific decision at this time. If confirmed, I will review any such decision in light of the applicable law.

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR WARREN  
FROM SIGAL P. MANDELKER**

**Q.1.** *Russia*—Do you believe that we should increase sanctions on Russia for its malicious cyberactivities, intervention in Ukraine, and/or support for Assad in Syria? Please explain why or why not.

**A.1.** I share your concerns regarding Russia’s cyberactivities, intervention in Ukraine, and support for Assad. Sanctions are an important part of the United States’ tools to address these pressing national security issues. If confirmed, I will carefully assess the ways in which Treasury’s tools can be most effectively deployed and will present those options within the interagency so that they can be considered as part of the Administration’s overall strategy to address these threats.

**Q.2.** Would you oppose legislation that requires Congressional review before any rollback of our existing Russia sanctions?

**A.2.** As the Administration has made clear, U.S. sanctions against Russia will remain until Russia reverses the actions that triggered those sanctions. If confirmed, I look forward to working within the Administration and with Congress to identify the best way to hold Russia accountable for its actions and encourage it to live up to its commitments. While it would not be appropriate for me to comment on any particular piece of legislation at this time, if confirmed, I would look forward to working with Congress regarding this important issue.

**Q.3.** *ISIS (Islamic State in Iraq and Syria)*—Is there anything you would do differently than what Treasury is already doing to shut off ISIS from the international financial system and from other financial networks like money remittance channels and currency auctions?

**A.3.** As I mentioned during my testimony, if confirmed, I will focus immediately on the areas that pose the greatest threats, including

ISIS. Disrupting ISIS's financial underpinnings has to be a top priority. If confirmed, I will conduct an expeditious review of the intelligence and of Treasury's actions thus far to cut off ISIS from the international financial system and other financial networks and determine how to change, modify, and/or supplement those efforts. For example, among other things, I will examine whether there are additional individuals or entities that should be designated and sanctioned, what related enforcement actions are underway, and what more we can initiate as part of the effort to seize ISIS's financial support and deter further financing, whether our intelligence collection and analytical efforts are sufficient or should be enhanced to produce actionable intelligence to address ISIS's evolving financial campaign, and how we can most effectively work with the Justice Department, the State Department, and the Defense Department, among others, to coordinate our efforts and most effectively utilize our respective authorities. I will also ensure that Treasury continues to proactively share and analyze information with coalition partners through the Counter-ISIS Finance Group, the Egmont Group of Financial Intelligence Units and through other appropriate channels, including the private sector as appropriate. I understand that Treasury has served as a leader in this effort and I believe that it should continue to do so and strengthen those relationships.

**Q.4.** Does Treasury need additional authority from Congress to counter ISIS's finances?

**A.4.** If confirmed, I will undertake an expeditious and thorough review of Treasury's actions and authorities to counter ISIS' finances, and I look forward to working with Congress on this important national security issue.

**Q.5.** *Iran*—At this time, are you aware of another realistic method, aside from enforcing and complying with the 2015 nuclear agreement [Joint Comprehensive Plan of Action (JCPOA)], to limit Iran's nuclear program and subject it to rigorous monitoring and inspections?

**A.5.** Curtailing Iran's nuclear program and permanently prevent the regime from developing nuclear weapons is paramount to our national security interests. I understand that the Administration is currently undertaking a comprehensive review of the United States' Iran policy, including with respect to the JCPOA. If confirmed, I would look forward to participating in that review and working with the Administration and Congress to ensure that a comprehensive strategy is implemented that protects the American people and our allies overseas.

**Q.6.** As far as you know, are there any deficiencies in Treasury's currently available tools to counter Iran for its non-nuclear activities (ballistic missile development, human rights abuses, support for terrorism, etc.)?

**A.6.** Treasury already has substantial authorities available to it to counter Iran's malign, non-nuclear activities, including many executive orders and statutes that provide Treasury with primary and secondary sanctions authorities and enforcement tools. If confirmed, I will work to ensure that the Treasury continues to aggres-

sively target Iranian provocative activities in ballistic missile development, human rights abuses, and support for terrorism, among other areas, consistent with the Administration's foreign policy priorities. I will carefully review whether there are additional tools that Treasury can deploy and, where needed to further target Iran's malign activities, I will work with the Administration to put in place new authorities using powers granted under the International Emergency Economic Powers Act (IEEPA) or other statutory authorities. Congress has played a vital leadership role in addressing the Iranian threat, and I would look forward to working with this Committee and others should Treasury need additional authorities not available under existing statutes. I believe that we should vigorously enforce those authorities.

**Q.7.** Iran is still on the Financial Action Task Force (FATF) blacklist of countries that are a high-risk of money laundering and terrorist financing. Last year Iran made commitments to FATF to make structural reforms in these areas. Will you work with FATF to pressure Iran to address its money laundering and terrorist financing problems?

**A.7.** Yes. I believe that U.S. leadership with FATF on this critical issue is an important component of the U.S. Government's efforts to address Iran's ongoing illicit behavior, including its continued highly egregious money laundering and terrorist financing activities.

**Q.8.** *North Korea*—China is North Korea's outlet to the financial system. How do we exert pressure on China to get North Korea to freeze its nuclear and ballistic missile activities, without provoking a Chinese reaction that harms the U.S. economy?

**A.8.** If confirmed, I will carefully and expeditiously study this issue, in consultation with other partners in the interagency. I understand from public reporting that exerting pressure on China to get North Korea to freeze its nuclear and ballistic missile activities is a critical part of the Administration's strategy. If confirmed, addressing this issue and Treasury's role in a comprehensive strategy will be one of my highest priorities. I will immediately request an intelligence briefing regarding the North Korea threat and an assessment of the tools that Treasury has already deployed and those that should carefully be considered. We should use all available tools directly against North Korea and carefully assess and implement ways to effectively persuade China to bring enormous economic pressure on North Korea.

**Q.9.** *State Department Budget*—Former Acting Under Secretary for Terrorism and Financial Crimes, Adam Szubin, testified before a Banking subcommittee on May 10 about the need for sanctions to be part of a broader diplomatic strategy. Mr. Szubin said, in part: "Massive diplomatic investment and multilateral engagement will be needed to marshal a successful effort, and it will require enlisting like-minded and resistant countries." He went on to say "it would be counterproductive in the extreme to deplete our Foreign Service corps at a time when we need them so urgently." President Trump's budget blueprint proposes deep cuts to the State Department. Given that diplomacy helps build coalitions with other coun-

tries to enforce effective sanctions, would gutting the State Department make your job easier or harder?

**A.9.** The State Department plays a vital role in the enforcement of our sanctions regime. I have not had the opportunity to review the State Department budget or assess what impact, if any, it will have on our diplomatic efforts to work with other countries to enforce sanctions. However, if confirmed, I look forward to working closely with the State Department and others to advance the national security and foreign policy priorities of the United States. Strong diplomatic engagement plays an essential role in making our sanctions as effective as possible.

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**RESPONSES TO WRITTEN QUESTIONS OF  
SENATOR DONNELLY FROM SIGAL P. MANDELKER**

**Q.1.** *North Korea Sanctions*—Last week Senator Sasse and I held a subcommittee hearing on how to craft a stronger sanctions regime against North Korea. Our witnesses were both tremendous experts in this field—Juan Zarate and Adam Szubin, who previously held the position for which you have been nominated. There is a strong consensus that China is the linchpin to any meaningful increase in sanctions against North Korea.

If confirmed, would you support imposing secondary sanctions against Chinese entities that support the North Korean regime, particularly those elements that oversee Kim Jong Un's nuclear and ballistic missile programs?

**A.1.** Addressing the threats that we face from North Korea will be one of my top priorities. Sanctions are an important component of the comprehensive strategy to pressure North Korea to curb this increasingly urgent threat and to lean on other countries, including most importantly China, to implement and enhance existing sanctions against North Korea. I understand from public reporting that the Administration has been engaged in a productive dialogue with China on this issue and I would actively participate in this interagency effort, if confirmed.

I will also make sure that Treasury presents comprehensive options to the interagency discussion, not only with respect to sanctions but also the other tools available to the Office of Terrorism and Financial Intelligence, including those deployed by FinCEN, the Office of Terrorist Financing and Financial Crimes, and the Office of Intelligence and Analysis. Before committing to any particular recommendation, I will need to understand the status of the United States' diplomatic and other efforts and how the secondary sanctions option fits within our comprehensive strategy. I will be extremely committed to making sure that Treasury actively uses its tools not only to pressure North Korea, but also to hold accountable those that facilitate the North Korean regime through illicit financing. If the Administration determines that secondary sanctions are appropriate, I will make sure that they are enforced vigorously.

**Q.2.** What factors would weigh into your consideration of whether and how to approach secondary sanctions against Chinese firms?



How would you weigh potential impacts to the U.S. and global economies?

**A.2.** The decision to impose secondary sanctions would involve not only the Treasury Department, but also other Departments within the interagency, including the State Department. There are a number of factors that should be considered in any such strategy, including the effectiveness of secondary sanctions to the broader goal of containing the Kim regime and its nuclear and ballistic missile programs; the additional leverage secondary sanctions would provide over and above the United States' domestic authorities and U.N. Security Council sanctions regime; the bilateral relationship with China; and how such sanctions might impact the economy and our key allies in the region, such as South Korea and Japan. I would consult with other members of the interagency to ensure that the appropriate experts have analytically assessed the impact.

**Q.3. *Russia Sanctions***—The position for which you have been nominated also serves as a member of the intelligence community.

As you prepare for this role, have you spoken with the White House about expanding sanctions against Russia?

**A.3.** No.

**Q.4.** Have you spoken with experts at the Treasury Department or elsewhere about expanding sanctions against Russia to assess options and seek advice?

**A.4.** I have not spoken with experts at the Treasury Department about expanding sanctions against Russia in order to assess options and seek such advice. This subject has generally come up during my meetings with Members of the Senate Banking Committee and I have also reviewed testimony that has been presented to the Committee regarding this topic.

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#### **RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN CRAPO FROM MIRA RADIELOVIC RICARDEL**

**Q.1.** The previous Administration launched the Export Control Reform Initiative in 2010 based on a concept of four singularities: merge the commodity control lists into a single list; adopt a common IT portal, create a single licensing agency and transfer most enforcement efforts to a single agency. The four singularity concepts were never achieved either because of a shortage of time or the lack of support to consider such a far-reaching bureaucratic restructuring.

However, considerable progress was made with regard to the merger of the commodity control lists managed by the State and Commerce Departments. In fact, 18 of the 21 categories on State's United States Munitions List (USML) were rationalized by migrating certain commercial and dual-use products from the USML to the Commerce Control List (CCL) maintained by the Department of Commerce.

The three remaining USML categories, I–III, largely pertaining to commercial and sporting firearms and ammunition products, the least technically complex of all the categories, were never rationalized and left untouched. This no doubt impacts both small busi-

nesses and the Government resources used for protecting U.S. national security interests.

If confirmed, will you commit to having the Commerce Department complete the commodity control lists merger prong of the Export Control Reform Initiative and finalize the migration of Categories I, II, and III so that all 21 USML categories are appropriately merged?

**A.1.** I am aware that 18 out of 21 United States Munitions List (USML) categories have been revised and corresponding controls established in the Commerce Control List (CCL). I also understand that work on regular review and revisions of those categories continue. If confirmed, I commit to working closely with Secretary Ross and the State Department on these reviews and taking the appropriate next steps to address the remaining three categories.

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR SASSE  
FROM MIRA RADIELOVIC RICARDEL**

**Q.1.** No U.S. exporter should undergo an unnecessarily duplicative licensing regime to sell their goods overseas; doing so unnecessarily increases costs and is ultimately passed down to Main Street. Accordingly, I'd like to ask about ongoing efforts to reform the export control process, particularly regarding the possible transfer to the Bureau of Industry Security of export licensing responsibility over Categories I–III of the U.S. Munitions List.

Do you commit to pushing to complete a review of this possible as soon as possible?

**A.1.** I am aware that 18 out of 21 United States Munitions List (USML) categories have been revised and corresponding controls established in the Commerce Control List (CCL). I also understand that work on regular review and revisions of those categories continue. If confirmed, I commit to working closely with Secretary Ross and the State Department on these reviews and taking the appropriate next steps to address the remaining three categories.

**Q.2.** When do you expect this review to be completed?

**A.2.** I also commit to working closely with you and your office and providing timely updates on this matter.

**Q.3.** Will you commit to doing everything within your power to improve the efficiency of the export review process for Categories I–III, while still preventing unlawful possession of these weapons?

**A.3.** I am committed to improving the efficiency of the export review process while maintaining strong national security and foreign policy objectives, if confirmed.

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR PERDUE  
FROM MIRA RADIELOVIC RICARDEL**

**Q.1.** Ms. Ricardel, the previous Administration implemented the Export Control Reform initiative in order to modernize our cold-war era export licensing controls. This reform was aimed at enhancing our national security and improving the global competitiveness of U.S. companies. A key objective in the Export Control Reform was to rationalize the control lists and pursuant to the au-

thorities granted within the Arms Export Control Act, transfer export licensing authority for commercial and dual-use items from the State Department Directorate of Defense Trade Controls (DTCC) to the Commerce Department—Bureau of Industry Security (BIS).

Under the prior Administration, commercial and dual use products covered in 18 of the 21 DTCC's categories to the BIS. However, 3 of the 21 categories—USML categories I, II, and III (commercial and sporting firearms and ammunition products)—were purposely singled out by the past Administration for transparent political reasons and have not realized the benefits of the Export Control Reforms Initiative.

Today, roughly 25 percent of the DDTC's export licensing workload now involves Category I products like the single shot bolt action 22 caliber rifle used by many Boy Scouts. Many in Congress share these same concerns including the submission of bipartisan letters from Congress that were recently sent to Secretary Ross and Secretary Tillerson urging completion of the ECR initiative.

Will you commit to working on the expeditious completion of the transfer of export licensing authority for commercial and dual-use items from the DTCC to the BIS?

**A.1.** I am aware that 18 out of 21 United States Munitions List (USML) categories have been revised and corresponding controls established in the Commerce Control List (CCL) and understand that work on regular review and revisions of those categories continue. If confirmed, I commit to working closely with Secretary Ross and the State Department on these reviews and taking the appropriate next steps to address the remaining three categories.

**Q.2.** Once you are in office, will you please provide me an updated estimate on the date by which Commerce Department will publish the proposed rule to transfer export licensing of commercial and sporting firearms and ammunition products currently on the USML categories I, II, and III to the Commerce Department from the State Department?

**A.2.** I also commit to working closely with you and your office and providing timely updates on this matter, to include notification of planned publication of proposed rules, if confirmed.

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR WARREN  
FROM MIRA RADIELOVIC RICARDEL**

**Q.1.** Chinese firms and investors are increasingly trying to acquire U.S. companies, or companies with U.S. assets. Last December President Obama blocked a Chinese firm from acquiring a German-based semiconductor company with U.S. assets. Are you concerned about China's increasing assertiveness in this area, and if so, what will you do about it?

Some public reports have indicated that China may be attempting to circumvent CFIUS in order to gain access to defense or other critical technology by investing in early stage companies or otherwise obscuring the source of capital. Is this a concern, and if so, do you believe that changes to CFIUS are required?

**A.1.** I share your concerns regarding China’s publicly stated goal of becoming a global leader in the semiconductor and software technology space. I understand the Department of Commerce is currently updating its 2009 assessment of the U.S. semiconductor industry and the impact of competitors, such as China, on that industry. If confirmed, I commit to work closely with Secretary Ross on this important matter, as well as with the Department of the Treasury on China’s potential circumvention of CFIUS, as well as any potential legislative or regulatory changes to CFIUS.

**Q.2.** In your prepared testimony, you observed that “the health of the U.S. defense industrial base is imperative[.]” Please explain in detail how will you advocate for U.S. workers, companies, and technologies that support the U.S. defense industrial base.

**A.2.** I am committed to working within the Department of Commerce and within the U.S. Government interagency on measures that can strengthen the U.S. defense industrial base, if confirmed. The Bureau of Industry and Security protects critical U.S. technologies that are a vital part of the U.S. defense industrial base through both its export licensing and export enforcement processes. If confirmed, I will ensure that the Bureau’s licensing and enforcement efforts are effective, to include thorough assessments of end-use and end-users. Furthermore, I will reach out to industry and seek input on proposed rules, as well as ways in which these processes might be improved. In addition, the Bureau regularly conducts in-depth surveys of specific defense industrial capabilities. The information obtained through these surveys—such as identifying areas of concern in the supply chain—can be used to develop appropriate actions and policy recommendations.

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**RESPONSES TO WRITTEN QUESTIONS OF  
SENATOR DONNELLY FROM MIRA RADIELOVIC RICARDEL**

**Q.1.** If confirmed, you will have an important role in protecting the U.S. defense industrial base. Earlier this month, you and I discussed the fact that current law explicitly prohibits the transfer of excess military equipment to foreign countries if doing so would harm U.S. industry and jobs. I’m talking about section 2321j of Title 22. I remain concerned that the Pentagon and the State Department are attempting to circumvent this law and risking critical U.S. manufacturing capabilities in the process.

If confirmed, will you work with Secretary Ross to enforce the law and ensure these transfers don’t harm American workers?

**A.1.** If confirmed, I commit to working closely with Secretary Ross on the important issue of protecting the U.S. defense industrial base and will do so in accordance with section 2321j of Title 22.

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR SASSE  
FROM MARSHALL BILLINGSLEA**

**Q.1.** Does Treasury have the necessary resources and capabilities to conduct a North Korean leadership asset hunt, as the North Koreans are adept at developing shell companies and other methods of hiding money?

**A.1.** If confirmed, I look forward to working with Congress to ensure that Treasury has the appropriate resources and capabilities to carry out the Administration's policy of pressuring North Korea to denuclearize, cease its ballistic missile testing, and end its proliferation of deadly technology.

**Q.2.** What, if any, are your ideas for innovation in our sanctions capabilities? Is there anything we're not doing that may be helpful? For example, are there financial analytical tools or practices from the private sector that should be adopted by the public sector?

**A.2.** As a Managing Director at Deloitte leading our Business Intelligence Services practice, I work with a wide range of analytic tools, data sets, and have developed tactics, techniques, and procedures which have repeatedly proven themselves in investigation of front and shell companies on behalf of the Federal Government, as well as private sector clients. If confirmed, I intend to take a close, careful look at current Treasury capabilities to ensure that we benefit from the best that the private sector has to offer.

**Q.3.** How does the use of sanctions fit within a greater strategy? For example, do sanctions have to come after diplomatic efforts, or does it sometimes make sense to have them work in parallel with diplomatic efforts?

**A.3.** While each case is unique, I believe that sanctions generally should be part of a broader national strategy to advance our interests. Of course, there may be situations where sanctions may precede, or set the stage for, diplomatic efforts. Moreover, sanctions also can be an important offensive tool to degrade and disrupt illicit criminal and terrorist networks. If confirmed, I will look forward to working with our partners across the Government, including our Congress, to deploy these tools effectively in support of our national interests.

**Q.4.** Do you have any recommendations for developing sanctions draw-down if a country alters its behavior in response to sanctions? How feasible are "snap back" sanctions?

**A.4.** Generally, when winding down a sanctions program or providing relief, the U.S. Government utilizes the licensing authority under the International Emergency Economic Powers Act (IEEPA) or waivers in Congressional legislation to provide appropriately tailored sanctions relief. This flexibility in our authorities is critical, as it is exceptionally challenging to predict how future events may impact ongoing draw-down efforts. This flexibility also has the benefit of allowing us to quickly remove sanctions relief previously granted via license or waiver or to reimpose sanctions even if a particular sanctions program has been terminated.

**Q.5.** When might secondary sanctions be appropriate?

**A.5.** In the past, secondary sanctions have played a useful role as part of a broader strategy to increase pressure on illicit actors to change their threatening behavior, but may have consequences to financial relationships with the U.S. and access to the U.S. financial system. If confirmed, I will carefully evaluate whether secondary sanctions would be an effective and appropriate tool to combat critical national security challenges.

**Q.6.** What might be upcoming challenges related to bitcoin or other cryptocurrency, and will you develop a plan to address those challenges?

**A.6.** Virtual currency payments potentially provide a more efficient, cheaper alternative to traditional payment methods by avoiding interchange and currency exchange fees, providing faster settlement, and reducing counterparty risk. At the same time, virtual currency payments present money laundering and terrorist financing risks that must be assessed and mitigated, especially with respect to anonymity, challenges in tracing virtual currency flows, and the lack of regulation and supervision in most jurisdictions worldwide. If confirmed, I will work to enhance the effectiveness of our regulatory and supervisory regime for virtual currency and to urge other countries to follow suit. This also is an area where I would look forward to working closely with the private sector.

**Q.7.** Does Treasury have the capabilities to track or fight against ransomware that uses cryptocurrency, and if not, will you commit to push for the development of said capabilities?

**A.7.** If confirmed, I look forward to understanding the capabilities already possessed by Treasury, and I will commit to pushing for the development of any additional capabilities needed. I understand that Treasury, as the U.S. Government's lead agency charged with protecting the U.S. financial system, has a number of authorities designed to defend our critical infrastructure from abuse by cybercriminals. If confirmed, I expect to gain a more detailed understanding of these capabilities to combat the use of virtual currency payments for cybercrime, including ransomware attacks. I will also work across Treasury, the entire U.S. Government, and with international partners to enhance our ability to combat cybercrime, including ransomware.

**Q.8.** What challenge does block chain pose to future sanctions, and does Treasury have the capabilities to meet those challenges?

**A.8.** The new generation of cryptocurrencies and more sophisticated technologies appear to be able to provide anonymity in virtual currency transactions, and therefore may present a challenge to future sanctions implementation. If confirmed, I expect to gain a more detailed understanding of Treasury's existing capabilities to combat the use of virtual currency payments, including in the sanctions context, and will support efforts to increase capacity to address this issue. I look forward to working with the interagency and the Intelligence Community on this challenge, and believe that we will benefit from private sector insight in this area as well.

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#### **RESPONSES TO WRITTEN QUESTIONS OF SENATOR WARREN FROM MARSHALL BILLINGSLEA**

**Q.1.** *Russia*—Do you believe that we should increase sanctions on Russia for its malicious cyberactivities, intervention in Ukraine, and/or support for Assad in Syria? Please explain why or why not.

**A.1.** Countering Russia's malicious cyberactivity, securing a diplomatic solution in Ukraine, and achieving peace and stability in Syria are some of the greatest challenges our Nation now faces. As we have seen, Treasury's sanctions tools can play a critical role in

advancing our interests in these areas. If confirmed, I will work with the rest of the Administration and with Congress to identify how these tools can continue advancing our interests across a range of areas in which Russia is actively working against U.S. interests and serving as a destabilizing influence.

**Q.2.** Would you oppose legislation that requires Congressional review before any rollback of our existing Russia sanctions?

**A.2.** Our sanctions against Russia were imposed in large part to provide leverage to reach a diplomatic solution. As the Administration has made clear, we will roll back sanctions only when Russia fulfills its commitments under the Minsk agreements. To achieve this goal, it is essential that the Administration have the flexibility and credibility to use this leverage in a way that best supports both our own efforts and those of our allies. I look forward to working with the Congress, if confirmed, to identify the best way to do so with an eye towards preserving the diplomatic and negotiating space necessary to reach the outcome we seek.

**Q.3.** *ISIS (Islamic State in Iraq and Syria)*—Is there anything you would do differently than what Treasury is already doing to shut off ISIS from the international financial system and from other financial networks like money remittance channels and currency auctions?

**A.3.** I certainly will bring my experience in developing counterterrorism campaign plans to my role at Treasury, if confirmed. I understand that Treasury is working across the U.S. Government and with Governments around the world to isolate ISIS from the international financial system, and I will continue and enhance these efforts. Treasury has worked closely with the Government of Iraq to cut off bank branches in ISIS-controlled territory in Iraq from the Iraqi and international financial systems and to put in place safeguards to deny ISIS access to U.S. banknotes.

If confirmed, under my leadership, Treasury will continue its efforts to ensure that ISIS is not able to use banks and exchange houses in recently liberated areas of Iraq, and we will strengthen our international partnerships to prevent ISIS from moving funds to its branches or its global network. I also look forward, if confirmed, to examining whether there are additional ISIS-affiliated individuals who should be designated and sanctioned under appropriate authorities.

**Q.4.** Does Treasury need additional authority from Congress to counter ISIS's finances?

**A.4.** If confirmed, I look forward to examining this question carefully and will work closely with Congress on this matter.

**Q.5.** *Iran*—At this time, are you aware of another realistic method, aside from enforcing and complying with the 2015 nuclear agreement [Joint Comprehensive Plan of Action (JCPOA)], to limit Iran's nuclear program and subject it to rigorous monitoring and inspections?

**A.5.** The Administration is currently conducting a review of all policies related to Iran, including on the benefits and drawbacks of the JCPOA. I look forward to participating in this review and to

working with Treasury's partners in the Administration and with Congress on this critical issue if confirmed.

**Q.6.** As far as you know, are there any deficiencies in Treasury's currently available tools to counter Iran for its non-nuclear activities (ballistic missile development, human rights abuses, support for terrorism, etc.)?

**A.6.** I understand that Treasury is well-armed through both legislation and executive orders in terms of tools to counter Iran's ballistic missile activity, support for terrorism, and human rights abuses among other nefarious activity. Since the beginning of the current Administration, Treasury has issued three rounds of Iran sanctions, across the above-mentioned categories.

If confirmed, I will act vigorously to ensure that we use all available tools to counter Iran's destabilizing activities and enlist the support of our international partners to do the same. Should I find the need for additional tools and authorities, I will not hesitate to work with you to determine the best means by which to enhance existing capabilities. Having served in the 1990s as a Senate committee staffer who drafted several pieces of bipartisan sanctions legislation (including on Iran), I appreciate the important role of Congress on this matter and look forward to working closely together.

**Q.7.** Iran is still on the Financial Action Task Force (FATF) blacklist of countries that are a high-risk of money laundering and terrorist financing. Last year Iran made commitments to FATF to make structural reforms in these areas. Will you work with FATF to pressure Iran to address its money laundering and terrorist financing problems?

**A.7.** Yes.

**Q.8.** *North Korea*—China is North Korea's outlet to the financial system. How do we exert pressure on China to get North Korea to freeze its nuclear and ballistic missile activities, without provoking a Chinese reaction that harms the U.S. economy?

**A.8.** This is a crucial question, and if confirmed, I intend to study it carefully. In general, I believe that Treasury should continue to use all appropriate tools against North Korea and to persuade China to bring economic pressure on its neighbor and trading partner.

**Q.9.** *State Department Budget*—Former Acting Under Secretary for Terrorism and Financial Crimes, Adam Szubin, testified before a Banking subcommittee on May 10 about the need for sanctions to be part of a broader diplomatic strategy. Mr. Szubin said, in part: "Massive diplomatic investment and multilateral engagement will be needed to marshal a successful effort, and it will require enlisting like-minded and resistant countries." He went on to say "it would be counterproductive in the extreme to deplete our Foreign Service corps at a time when we need them so urgently." President Trump's budget blueprint proposes deep cuts to the State Department. Given that diplomacy helps build coalitions with other countries to enforce effective sanctions, would gutting the State Department make your job easier or harder?



**A.9.** I have not examined the budget blueprint. Having served as a diplomat during my time as NATO Assistant Secretary General, I am supportive of our State Department, and both the Career and Foreign Services. Sanctions are often deployed in conjunction with other levers of national power, especially diplomacy. State Department engagement can amplify Treasury's efforts, and if confirmed, I will continue to be an advocate of keeping a strong diplomatic posture.

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR BROWN  
FROM HEATH P. TARBERT**

**Q.1.** If confirmed, you will lead Treasury's role on the Committee on Foreign Investments in the United States (CFIUS). What kind of national security risks could arise if an Administration official's business was acquired in whole or in part by a foreign entity?

**A.1.** An acquisition of a U.S. business by a foreign entity potentially could give rise to national security concerns, depending upon a number of factors, including but not limited to the nature of the particular U.S. business acquired and the acquiring foreign entity. The relevant statute and regulations require that, before clearing a transaction to proceed, CFIUS find that there are no unresolved national security concerns. If confirmed, I am committed to ensuring that CFIUS satisfies this standard, regardless of who owns the U.S. business at issue.

**Q.2.** Do you believe CFIUS has the resources to thoroughly monitor and review foreign acquisitions of U.S. businesses that could threaten national security?

**A.2.** As I stated in my confirmation hearing, if confirmed, my first priority will be to ensure that the Office of Investment Security within the Treasury Department has the necessary resources and tools to function as Congress intended. To the extent that additional resources and tools are required, I am committed to working within the Department and with all relevant parts of the Government to address such needs.

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**RESPONSES TO WRITTEN QUESTIONS OF SENATOR WARREN  
FROM HEATH P. TARBERT**

**Q.1.** *Systemic Risk*—Do you see cybersecurity at financial institutions as a contributor to systemic risk, and if so, what should Treasury be doing about it?

**A.1.** Cybersecurity is a critical issue for the safety and soundness of financial institutions and financial stability more generally. Potential cyberattacks capable of paralyzing systemically important financial institutions and financial market utilities such as clearinghouses and payment systems can contribute to systemic risk. Furthermore, the nature of cyberattacks may make traditional micro- and macro-prudential tools (i.e., capital and liquidity buffers) less useful at mitigating financial stability threats.

I am aware that domestic regulators have been working on a framework for addressing cybersecurity, and that the Financial Stability Oversight Council has highlighted the importance of this

issue. I also understand that the Office of Critical Infrastructure Protection and Compliance Policy within the Treasury Department has programs to address cybersecurity issues. If confirmed, I would advocate for continued attention to cyber resilience within international forums, such as the G7 and Financial Stability Board—particularly because debilitating cyberattacks in certain international financial centers could directly impact the stability of the U.S. financial system.

**Q.2. CFIUS**—Chinese firms and investors are increasingly trying to acquire U.S. companies, or companies with U.S. assets. Last December President Obama blocked a Chinese firm from acquiring a German-based semiconductor company with U.S. assets. Are you concerned about China’s increasing assertiveness in this area, and if so, what will you do about it?

**A.2.** Notwithstanding the significant benefit that the U.S. economy derives from foreign direct investment, it is the responsibility of the Government to ensure the protection of the national security. If confirmed, I will carefully review current and potential threats to and vulnerabilities within the U.S. semiconductor sector. In carrying out my responsibilities, I will work to ensure that no transaction is approved if national security concerns remain unresolved.

**Q.3.** Some public reports have indicated that China may be attempting to circumvent CFIUS in order to gain access to defense or other critical technology by investing in early-stage companies or otherwise obscuring the source of capital. Is this a concern, and if so, do you believe that changes to CFIUS are required?

**A.3.** I recall that during my visit to your office, we discussed public reports of parties deliberately attempting to circumvent CFIUS. I am concerned with such reports, although I understand that a significant amount of work is being done to examine these issues. Should I be confirmed, I am committed to fully exploring these questions and to working to ensure that CFIUS fulfills its statutory mandate.

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#### RESPONSES TO WRITTEN QUESTIONS OF SENATOR DONNELLY FROM HEATH P. TARBERT

**Q.1. CFIUS**—The Committee on Foreign Investment in the United States (CFIUS) was established to review transactions involving foreign entities that could have significant national security implications. Our domestic steel, aluminum, and other metals manufacturers are of vital importance to our Nation’s critical infrastructure and national security. Increased levels of foreign imports, often aided by illegal Government subsidies, have continued to weaken our domestic manufacturers and provide foreign companies greater access to the domestic market.

If confirmed, you will be responsible for heading Treasury’s CFIUS efforts. How do you plan to prioritize agency resources to ensure transactions are being appropriately vetted?

**A.1.** If confirmed, I will work to ensure that the resources of the Treasury Department are prioritized in a manner that ensures all transactions are appropriately vetted. In addition, I will make it a priority to assess the adequacy of the resources available for

CFIUS to fulfill its national security mandate. To the extent that additional resources and tools are required, I am committed to working within the Treasury Department and with all relevant parts of the Government to address such needs.

**Q.2.** Do you believe there are areas in which the CFIUS review process can be improved to increase its effectiveness or the number of transactions reviewed by the Committee, particularly those involving manufacturing acquisitions?

**A.2.** If confirmed, I will consult with the career professionals in the Office of Investment Security within the Treasury Department and other relevant stakeholders to determine whether any aspects of the review process should be adjusted to improve the ability of CFIUS to satisfy its national security mandate. To the extent that any such adjustments are appropriate, I am committed to working within the Treasury Department and with all relevant parts of the Government, as applicable to address them.

With respect to national security issues potentially arising from the acquisition of domestic manufacturers, I note that Section 721 of the Defense Production Act of 1950, as amended, directs CFIUS to consider a number of factors, at least several of which are directly relevant to our manufacturing sector. Those factors include: domestic production needed for projected national defense requirements, the capability and capacity of domestic industries to meet national defense requirements, and the potential national security effects on United States critical infrastructure. If confirmed, I will work to ensure those factors and all others required by law to be considered are appropriately taken into account.

ADDITIONAL MATERIAL SUPPLIED FOR THE RECORD

**LETTERS SUBMITTED IN SUPPORT OF THE NOMINATION OF SIGAL P. MANDELKER**

May 15, 2017

Hon. Mike Crapo, Chairman  
Committee on Banking, Housing and  
Urban Affairs  
United States Senate  
239 Dirksen Senate Office Building  
Washington, D.C. 20510

Hon. Sherrod Brown, Ranking Member  
Committee on Banking, Housing and  
Urban Affairs  
United States Senate  
239 Dirksen Senate Office Building  
Washington, D.C. 20510

Re: In Support of the Nomination of Sigal Mandelker

Dear Chairman Crapo and Ranking Member Brown:

We are friends and former colleagues of Sigal Mandelker and we write in strong bipartisan support of her nomination to be the next Under Secretary for Terrorism and Financial Crimes at the U.S. Department of the Treasury. All of us have held senior positions as officials in the Department of Justice and have worked with or are personally familiar with Ms. Mandelker, and we all hold her in the highest regard.

Ms. Mandelker has had a long and very distinguished career with the federal government as a national security adviser, prosecutor, and manager. From 2006 to 2009, Ms. Mandelker served as a Deputy Assistant Attorney General in the Criminal Division of the Department of Justice. In that capacity, she supervised four major prosecution sections, including the Computer Crime and Intellectual Property Section, the Domestic Security Section, the Child Exploitation and Obscenity Section, and the Office of Special Investigations. She supervised a number of high-profile cross border and domestic investigations. She also advised the Assistant Attorney General on matters relating to federal criminal policy and national security. We know her to be an excellent leader and manager who set and implemented strategy for the men and women of the Department of Justice under her supervision.

Prior to that, Ms. Mandelker served as Counselor to the Secretary of Homeland Security, where she advised on a number of issues relating to national security, intelligence, and law enforcement. She worked directly with the DHS components on the priorities of the Department and coordinated with other federal and state agencies on national and international security policies and programs. In addition, Ms. Mandelker has served in other roles at the Department of Justice, focusing on counter-terrorism and law enforcement, including Counsel to the Deputy Attorney General and Special Assistant to the Assistant Attorney General. She has received a number of awards and recognitions, including the Cyber Legal Intelligence Community Legal Award, the Director's Recognition Award of the U.S. Secret Service, the ICE Award for Excellence and Dedication to Human Rights Work, and the Assistant Attorney General's Award for Intra-Department Cooperation.

During her years of practicing law in and out of government, Ms. Mandelker has earned a well-deserved reputation for her excellent leadership, management skills, and professional judgment, as well as deep substantive expertise and intellect. In addition, she has a strong character for professionalism and ethics. She is deeply committed to public service.

Hon. Mike Crapo, Chairman  
Hon. Sherrod Brown, Ranking Member  
May 15, 2017  
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We believe Ms. Mandelker has the characteristics to be a strong and effective leader of this important position at the Department of the Treasury. We thank the Committee for allowing us to present this information about her and believe that our country would be well-served to see her confirmed.

Respectfully,

Lanny Breuer  
Assistant Attorney General, Criminal Division, Department of Justice

Jeffrey S. Bucholtz  
Acting Assistant Attorney General, Civil Division, Department of Justice

Steven G. Bradbury  
Assistant Attorney General, Office of Legal Counsel, Department of Justice

Benjamin Campbell  
Interim United States Attorney, EDNY

John P. Carlin  
Assistant Attorney General, National Security Division, Department of Justice

Michael Chertoff  
Secretary of the Department of Homeland Security  
Assistant Attorney General, Criminal Division, Department of Justice

Viet D. Dinh  
Assistant Attorney General, Office of Legal Policy, Department of Justice

John P. Elwood  
Deputy Assistant Attorney General, Office of the Legal Counsel, Department of Justice

Alice S. Fisher  
Assistant Attorney General, Criminal Division, Department of Justice

James M. Garland  
Deputy Chief of Staff & Counselor to the Attorney General

Hon. Mike Crapo, Chairman  
Hon. Sherrod Brown, Ranking Member  
May 15, 2017  
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Neil H. MacBride  
United States Attorney, EDVA

William E. Moschella  
Assistant Attorney General, Office of Legislative Affairs, Department of Justice

Mythili Raman  
Acting Assistant Attorney General, Criminal Division, Department of Justice

Kristi L. Remington  
Deputy Assistant Attorney General, Office of Legal Policy, Department of Justice

Luis Reyes  
Chief of Staff and Deputy Associate Attorney General, Department of Justice

Barry Sabin  
Deputy Assistant Attorney General, Criminal Division, Department of Justice

Anita Singh  
Chief of Staff and Counselor, National Security Division, Department of Justice

Jeffrey A. Taylor  
United States Attorney, District of Columbia

Kenneth L. Wainstein  
United States Attorney, District of Columbia  
Assistant Attorney General for the National Security Division, Department of Justice

Christopher A. Wray  
Assistant Attorney General, Criminal Division, Department of Justice

May 15, 2017

Chairman Mike Crapo  
Ranking Member Sherrod Brown  
United States Senate Committee on Banking, Housing and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Crapo and Ranking Member Brown:

The undersigned, former senior government officials from both political parties, write in support of Sigal Mandelker's nomination as Undersecretary of the Treasury for Terrorism and Financial Intelligence.

Over the course of Ms. Mandelker's career in national security, counterterrorism and law, we have known her to be a person of the utmost integrity, expertise, and exceptional judgment.

As a senior official at both the Departments of Justice and Homeland Security, Ms. Mandelker handled sensitive matters at the intersection of security, policy and counterterrorism. She proved to be a reliable consensus builder across government agencies, weighing carefully the differing needs and equities of the law enforcement, intelligence and homeland security communities. She developed a reputation as an honest broker and bridge-builder between agencies, working daily to remove the stovepipes that hinder effective security policy.

Ms. Mandelker has repeatedly proven herself to be a strong advocate for what is right for American security, irrespective of partisanship, conventional wisdom or past practice. She has always sought to bring innovative solutions to our security challenges, and has done so in a fair and even-handed manner, guided by principle rather than self-interest or parochial agency concerns.

Over the course of Ms. Mandelker's career, she has been a highly efficient and thoughtful manager of people. She brings a healthy blend of high standards, compassion for her team and willingness to advocate for the mission. In doing so, she has earned not just our admiration and respect, but that of those she has supervised, in both the civil service and political ranks.

For this important job at this critical time, we can think of no one better suited than Ms. Mandelker. She has exactly the right skills to marshal and drive U.S. strategy at the intersection of international finance and national security. We believe that she will bring dedication to duty, innovation and honesty to this role, and we are delighted to wholeheartedly endorse her nomination.

Respectfully,

Stuart Levey  
Former Under Secretary for Terrorism and Financial Intelligence  
U.S. Department of the Treasury

Michael P. Jackson  
Former Deputy Secretary  
U.S. Department of Homeland Security

Charles Allen  
Former Under Secretary for Intelligence and Analysis  
U.S. Department of Homeland Security

Juan C. Zarate  
Former Deputy Assistant to the President and Deputy National Security Adviser for Combating Terrorism

Douglas B. Baker  
Former Assistant to the President and Senior Director for Border and Transportation Security

Stewart Baker  
Former Assistant Secretary for Policy  
U.S. Department of Homeland Security

Chad N. Boudreaux  
Former Deputy Chief of Staff  
U.S. Department of Homeland Security

Steve Bunnell  
Former General Counsel  
U.S. Department of Homeland Security

Jennifer Shasky Calvery  
Former Director, Financial Crimes Enforcement Network  
U.S. Department of the Treasury

Lily Fu Claffee  
Former Deputy General Counsel  
U.S. Department of the Treasury



Adam Isles  
Former Deputy Chief of Staff  
U.S. Department of Homeland Security

Donald H. Kent, Jr.  
Former Assistant Secretary for Legislative Affairs  
U.S. Department of Homeland Security

Jason Klitenic  
Former Deputy General Counsel  
U.S. Department of Homeland Security

Michael Leiter  
Former Director  
National Counterterrorism Center

Brian Morrison  
Former Deputy Staff Director and General Counsel  
U.S. House of Representatives Permanent Select Committee on Intelligence

Patrick O'Brien  
Former Assistant Secretary for Terrorist Financing and Financial Crimes  
U.S. Department of the Treasury

Matthew G. Olsen  
Former Director  
National Counterterrorism Center

Philip Perry  
Former General Counsel  
U.S. Department of Homeland Security

John S. Pistole  
Former Administrator  
Transportation Security Administration

Chad Sweet  
Former Chief of Staff  
U.S. Department of Homeland Security

Adam J. Szubin  
Former Acting Under Secretary  
Office of Terrorism and Financial Intelligence

Joe D. Whitley  
Former General Counsel  
U.S. Department of Homeland Security

John F. Wood  
Former Chief of Staff  
U.S. Department of Homeland Security

Julie Myers Wood  
Former Assistant Secretary of Homeland Security for Immigration and Customs Enforcement  
U.S. Department of Homeland Security

May 9, 2017

The Honorable Mike Crapo  
Chairman  
Committee on Banking, Housing, & Urban Affairs  
United States Senate  
Washington, DC 20510

The Honorable Sherrod Brown  
Ranking Member  
Committee on Banking, Housing, & Urban Affairs  
United States Senate  
Washington, DC 20510

Re: Nomination of Sigal Mandelker for Under Secretary of the Treasury for Terrorism and  
Financial Intelligence

Dear Chairman Crapo and Ranking Member Brown:

We are writing to express our strong support for the nomination of Sigal Mandelker to serve as Under Secretary of the Treasury for Terrorism and Financial Intelligence. We believe she would be an excellent choice for this critical position.

Each of us had the privilege of clerking for a Justice of the Supreme Court of the United States during October Term 2001, when Sigal clerked for Justice Clarence Thomas. After our clerkships, many of us have gone on to positions in the executive branch under Presidents Bush and Obama, to academia, and to private practice. But during our year together at the Court, we had the opportunity to see firsthand Sigal's legal skills, her temperament, and her warm good nature. We can say without reservation that Sigal showed all the qualities necessary to succeed in a sensitive executive position. Sigal performed all her work with dedication, intellectual rigor, and sound judgment. At the same time, she was collegial with her fellow law clerks and eager to hear a variety of views.

Sigal's career after her clerkship confirms that she has the experience, skills, and demeanor for this position. The 9/11 attacks occurred during our year at the Court, and immediately after her clerkship Sigal joined the executive branch to work on pressing counter-terrorism and national security issues. She served as an Assistant United States Attorney in the Southern District of New York, as Counsel to the Deputy Attorney General, and as Special Assistant to the Assistant Attorney General for the Criminal Division of the Justice Department. Sigal then served as Counselor to the Secretary of Homeland Security, where she helped the Secretary manage the Department's intelligence, law enforcement, and immigration components.

In 2006, Sigal returned to the Justice Department to serve as Deputy Assistant Attorney General in the Criminal Division. There she oversaw four major prosecutorial sections, including the Domestic Security Section and the Computer Crime and Intellectual Property

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Section. She also supervised a number of critical domestic and cross-border prosecutions and represented the United States in international fora. Sigal later joined Proskauer, where she is a partner in the firm's litigation department.

Sigal was well liked and deeply respected by her fellow clerks, and those that have worked with her in government and private practice have felt the same. At each stage of Sigal's career, she has demonstrated razor-sharp intelligence, exemplary judgment, and a willingness to assimilate an array of views. And along the way she has gained substantive and leadership experience that makes her extraordinarily qualified to be the Under Secretary of the Treasury for Terrorism and Financial Intelligence. We recommend her for this position without reservation.\*

Respectfully submitted,

**Matthew Berry**  
Law Clerk to Justice Clarence Thomas

**Shay Dvoretzky**  
Law Clerk to Justice Antonin Scalia

**Heather Elliott**  
Law Clerk to Justice Ruth Bader Ginsburg

**Susan E. Engel**  
Law Clerk to Justice Antonin Scalia

**Brian T. Fitzpatrick**  
Law Clerk to Justice Antonin Scalia

**Carolyn J. Frantz**  
Law Clerk to Justice Sandra Day O'Connor

**Jeremy Gaston**  
Law Clerk to Justice Sandra Day O'Connor

**Risa Goluboff**  
Law Clerk to Justice Stephen G. Breyer

**Benjamin Gruenstein**  
Law Clerk to Justice David H. Souter

**Kathleen Hartnett**  
Law Clerk to Justice John Paul Stevens

**Mirah A. Horowitz**  
Law Clerk to Justice Stephen G. Breyer

**Thomas Lee**  
Law Clerk to Justice David H. Souter

**Michael Leiter**  
Law Clerk to Justice Stephen G. Breyer

**Anup Malani**  
Law Clerk to Justice Sandra Day O'Connor

**Brett McGurk**  
Law Clerk to Chief Justice William H. Rehnquist

**Troy McKenzie**  
Law Clerk to Justice John Paul Stevens

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\* Please note that professional ethics rules prevented certain members of our clerkship class from signing this letter.

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**Edward Morrison**  
Law Clerk to Justice Antonin Scalia

**John Neiman**  
Law Clerk to Justice Anthony M. Kennedy

**David O'Neil**  
Law Clerk to Justice Ruth Bader Ginsburg

**Joseph Palmore**  
Law Clerk to Justice Ruth Bader Ginsburg

**Nicholas Quinn Rosenkranz**  
Law Clerk to Justice Anthony M. Kennedy

**Monica Washington Rothbaum**  
Law Clerk to Justice David Souter

**Aaron Saiger**  
Law Clerk to Justice Ruth Bader Ginsburg

**Heidi Doerhoff Vollet**  
Law Clerk to Chief Justice William H.  
Rehnquist

**Alexander J. Willscher**  
Law Clerk to Justice Anthony M. Kennedy

**LETTERS SUBMITTED IN SUPPORT OF THE NOMINATION OF MIRA  
RADIELOVIC RICARDEL**

SENATOR BOB DOLE  
THE ATLANTIC BUILDING  
950 F STREET, N.W., 10TH FLOOR  
WASHINGTON, D.C. 20004

May 15, 2017

The Honorable Mike Crapo  
Chairman  
U.S. Senate Committee on Banking, Housing and Urban Affairs  
United States Senate  
Washington, D.C. 20510

Dear Mike,

I am writing to offer my endorsement to the nomination of Mira Ricardel for Under Secretary of Commerce for Export Administration. It is my understanding that she will be part of a panel of nominees before the Banking Committee tomorrow and that your preference is that nominees not be introduced, hence my letter.

Mira worked for me from 1989 to 1996 as my legislative assistant for arms control and foreign policy and later as my senior adviser when I chaired the International Commission on Missing Persons in the former Yugoslavia. Mira developed considerable expertise in important national security matters including NATO, arms control and nuclear weapons policy, and worked successfully with staff and Senators on passage of critical legislation such as advice and consent on arms control treaties. She also served with distinction in the Pentagon, overseeing Department of Defense relations with dozens of allied countries and leading policies related to nuclear weapons, nonproliferation, defense technology security, security cooperation, missile defense and arms control.

Over the years, Mira has demonstrated sound judgment, a strong work ethic and an ability to work well across party lines. She has effective relationships with Republican and Democrat committee staff and has a successful track record of getting things done. When I sponsored legislation related to the conflict in Bosnia, Mira helped me build a bipartisan coalition of 69 votes for passage.

Mira possesses broad national security expertise as well as exceptional leadership skills. I am confident that Mira will do an outstanding job as Under Secretary of Commerce for Export Administration, and I urge that she be supported by the Banking Committee and confirmed by the U.S. Senate.

God Bless America,



BOB DOLE



May 11, 2017

Chairman Crapo and Ranking Member Brown,

I am writing to offer my enthusiastic support for the nomination of Mira Ricardel to be the Under Secretary of Commerce for Export Administration.

I have known and worked with Ms. Ricardel since she served in the State Department as deputy director for congressional affairs within the U.S. Arms Control and Disarmament Agency. During that period, I was the minority staff director of the Senate Armed Services Committee for Sen. Sam Nunn (D-GA), and we worked closely with her on important arms control and nuclear issues. She was always cooperating and willing to provide our Committee and the Senate with necessary briefings, support, and expertise.

I then had the pleasure of working with her as a Senate colleague when she became a top foreign policy advisor for Sen. Bob Dole when I was the staff director of the SASC. Ms. Ricardel was always exceedingly helpful and cooperative both in ensuring our Committee could get our bill on the floor of the Senate and in dealing with numerous policy amendments that required significant coordination. Ms. Ricardel approached national security in a bipartisan fashion and provided much needed foreign policy expertise.

I also had the privilege of working with her when she was a senior official in the Pentagon, as both the Deputy Assistant Secretary of Defense for Eurasia and the acting Assistant Secretary of Defense for International Security Policy, as I served on various boards and commissions for the Pentagon. Again, her expertise and collaborative approach shown through her work to keep our nation and our allies secure.

During Ms. Ricardel's post-government tenure at Boeing in several high-level postings, she worked closely with industry groups, including the National Defense Industrial Association, in which I held various leadership positions at the time. She brought the same substantive, cooperative approach as I've seen her exhibit throughout her career.

I have observed or been involved in numerous transitions from one administration to another, and once again I had the opportunity to informally work with Ms. Ricardel as she essentially led the defense team for President Trump. She did a truly superb job, as usual.

She has a deep understanding of arms control, specific regions of the world, as well as industry perspectives, making her uniquely qualified for this position. I have no hesitation recommending her for this key position and know she will bring the same objective, clear-eyed, thoughtful approach to this position as she has in all her jobs of increasing responsibilities over the years.

I hope the Banking, Housing, and Urban Affairs Committee will recommend and ultimately the Senate will confirm Ms. Ricardel for the critical position within the Commerce Department, essential to both our economy and our national security.

With great respect,

Major General Arnold L. Punaro  
United States Marine Corps, Ret.  
Former Staff Director, Senate Armed Services Committee

**LETTER SUBMITTED IN SUPPORT OF THE NOMINATION OF  
MARSHALL BILLINGSLEA**

May 11, 2017

The Honorable Michael Crapo  
Chairman, Senate Committee on Banking  
SD-239, Senate Dirksen Office Building  
Washington, DC 20510

The Honorable Sherrod Brown  
Ranking Member, Senate Committee on Banking  
SH-713, Senate Hart Office Building  
Washington, DC 20510

Dear Chairman Crapo and Ranking Member Brown:

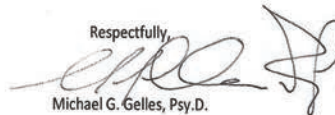
I am writing to you, in support of Mr. Marshall Billingslea's nomination to serve as Assistant Secretary of the Treasury for Terrorist Financing. I have known Marshall since 2002, when I served as the Naval Criminal Investigative Service's (NCIS) Chief Psychologist. In that capacity, I was supporting the Criminal Investigative Task Force at Guantanamo Bay, Cuba (GTMO). Since then, I have had the pleasure of working with Mr. Billingslea at Deloitte.

Marshall is an honest, and highly principled individual with impeccable integrity. I understand that some have raised questions about his views on interrogation procedures used at GTMO. The record shows that I personally was very outspoken at the time, and since, against the use of coercive interrogation techniques. While Marshall and I did not agree on every aspect of GTMO, he never condoned the use of torture, nor did he advocate any technique that could constitute torture. I also know that Marshall was the person who single-handedly blocked consideration of the use of waterboarding at GTMO.

It is very important to note that the Senate Armed Services Committee thoroughly investigated this issue, and that Marshall was never even called to speak with Senate investigators. This is because the record is very clear that he is one of several officials who worked to establish transparency and clear rules regarding detainee operations.

For this, and his tireless service to the nation, I urge the Senate Committee on Banking to confirm Mr. Billingslea to the position for which he has been nominated.

Respectfully,



Michael G. Gelles, Psy.D.